

The Conservative Organizational Entrepreneur

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In 1965, experienced conservative friends much older than I advised me there was no way to earn a living doing what I wanted to do, work full time for conservative principles. Though filled with good intentions, they were wrong.

This presentation explains how you can do what I eventually did: create an effective organization for your public policy activities. It describes your options: what kind of activity; what type of group; when to start it; how to structure it; how to staff it; how to fund it; how to help it grow. I also point out mistakes to avoid.

Business entrepreneurs make things happen. They create most of the innovations, growth and jobs in the economy.

Who makes things happen in public policy?

Some people are self-starters who occasionally act independently in politics. They write letters to the editor without being asked. They create homemade signs for candidates of their choice. They call in to talk radio programs to persuade others to support or oppose specific candidates or bills before the Congress or a state legislature. They try hard to teach their children to be good citizens. They spontaneously ask their family and their friends to vote a certain way in a coming election.

If enough people acted independently in public policy battles, they could have decisive impact. But *few* people are self-starters.

In politics, nothing moves unless it's pushed.

Given time, the outcome of political contests is determined by the number and effectiveness of the activists on the respective sides.

Political parties, candidates for election, legislators pushing their policy agendas and journalists with axes to grind are not the only brigades in battles over

public policy. Other sources of political communications and political organization are often called "special interests," a pejorative term.

So-called "special interests" apply their resources to the public policy process and often make things happen. They come in many categories.

Organized labor gets much of its strength from compulsory union dues.

Many politically active non-profit groups on the left get their money largely from government bureaucrats in the form of grants from taxes collected from taxpayers under compulsion.

Organized crime buys some of its undoubted political clout with money derived from types of extortion like protection rackets and activities such as the fencing of stolen goods.

Almost all other politically active groups depend on voluntary contributions, the way things ought to be.

While most of us would object to compulsory funding of any political activity, no one should question the legitimacy of public policy activities funded by voluntary contributions. The right of association is guaranteed by the U.S. Constitution. Despite some government-imposed restrictions, Americans are and ought to be free to join together for political purposes and to contribute their time and resources to candidates and causes of their choice.

Far more than citizens of any other country, Americans act politically through voluntary, non-partisan private associations.

Politically influential private organizations can be liberal or conservative. They can be political action committees, lobby groups, tax-exempt educational groups, professional or trade associations or other types of groups. Some are large; most are small. Many are old; some new ones are created each year.

The Organizational Entrepreneur

Some well-established, broadly-based membership organizations change leadership frequently through periodic elections. But most politically effective groups in America today are headed by the single individuals who created them or who built them to their current levels of effectiveness. I decided some years ago to call such people organizational entrepreneurs, a useful description of an important category of activists.

Organizational entrepreneurs, unlike commercial business entrepreneurs, do not "own" the organizations they head. Most organizations active in politics are incorporated as non-profit groups. By law, ultimate management authority must reside in each group's board of directors. But even though such non-profit groups elect officers through periodic elections by the membership or by a stable board of directors, it's obvious that each is run by a single individual who calls the shots.

Reed Larson is the organizational entrepreneur of the National Right to Work Committee. Ed Feulner has that role at the Heritage Foundation, Paul Weyrich at the Free Congress Foundation, Phyllis Schlafly at Eagle Forum, etc. In each case, their organizations are a major part of their lives' work. The groups they head succeed or fail based on their leadership and, for most practical purposes, are *their* organizations.

In many ways, a new organizational entrepreneur is analogous to a business entrepreneur who starts a small business. Like a small business, an organization can sometimes develop into quite a big and powerful institution.

Most conservative organizations which gained real clout in the last thirty years are still operating under the same leadership. Phyllis Schlafly is the founder of the Eagle Forum. It is her organization. Reed Larson didn't found the National Right to Work Committee. But he got involved when it was relatively small and built it into a powerhouse. It became his organization.

Young conservatives should consider the option of some day becoming organizational entrepreneurs themselves.

There are possibilities now; there will be possibilities in the years to come for creating successful public policy groups.

Since I moved to the Washington, D.C. area in 1965 to be executive director of the College Republicans, I've known many of the people who have set up and built public policy-related, non-profit organizations. I've observed them and worked closely with many of them. Some fell flat on their faces. Others grew to be enormously effective.

As for myself, the principal group of which I am the organizational entrepreneur is the Leadership Institute, which I founded in 1979. I supervise it under the general management of its board of directors. In that sense, and only in that sense, it is my organization. The Institute each year now (2002) trains over 3,000 students and raises over \$7 million.

Growth is not inevitable, nor is it unlimited. Any organization, no matter how well it is run, tends over time to reach a plateau. In its early years, it might achieve a considerable annual percentage of increase, growth at a rate that cannot be sustained forever.

The proliferation of successful conservative organizations is responsible for the growing strength of the conservative movement in the public policy process since the early 1970s.

Heads of existing groups often aren't happy when another group is formed to do somewhat similar work. But the creation of multiple groups under different leadership, all active for similar causes, is generally helpful for those causes. Some donors will like the approach of one group better than that of another group which is working for almost exactly the same issues. Some people will like and trust the head of one group better than they will the head of a similar group.

Multiple groups with the same or similar messages reinforce each other and make each others' activities more credible in the public policy process.

Very rarely are existing groups doing all that can be done for their causes. Often a new group brings novel, useful ideas to the policy battle; competition usually makes everyone more efficient. Creation of more groups active for a cause increases the number of donors and volunteers activated for that cause.

Issue Focus Helps Organizational Growth

Some of the most important lessons of political activity are counter-intuitive.

For example, an organizational entrepreneur should know, although most people would guess otherwise, that a new issue group narrowly focused on *a cluster of related issues* has more potential for growth than a group concerned about a wide variety of issues.

By the way, "single issue group" is usually not a true description. "Focused issue group" is almost always more accurate, as well as being less pejorative.

Why does an organization focused on a cluster of related issues have a greater potential for growth in number of members, number of donors and revenue than one with a wide range of policy interests?

Think about how you personally react to direct mail you receive from a politically active organization you've never contributed to before. Perhaps you've

never heard of the group. You quickly screen the envelope and its contents. If you disagree with almost anything you see, you probably throw away the invitation to join the group or to contribute to it.

If I received a letter from a new group which had as its advisory committee Sen. Larry Craig, Rep. Tom Delay and Sen. Ted Kennedy, the chances are I'd suspect that group wasn't likely to do much for any conservative cause. As much as I love those two conservatives, Senator Kennedy's involvement would raise a big question.

The three might have joined to raise funds for some disaster relief effort, but it's unlikely they'd have any common political agenda. If my interest that day was to affect public policy, I'd toss the letter. But a group endorsed only by Sen. Craig and Rep. Delay, without Sen. Kennedy, would surely be attractive to a greater number of conservative activists.

As with multiple politicians on a list, so with multiple political issues in an organization.

Many people are vigorously in favor of the right to work. Many keenly support the right to keep and bear arms. The National Right to Work Committee (NRTW) has 2.2 million members; the National Rifle Association (NRA) has over 4 million members. But if you created an organization that had, as its two issues, the right to work and the right to keep and bear arms, your new group wouldn't have the potential to grow as large as either NRTW or NRA.

Anyone who disagreed with your new group on either one of these issues probably would not be interested in joining.

Focus a policy group narrowly if you want to maximize its potential for growth.

There are groups which are conservative across the board, on almost every issue. Such groups can serve good purposes and can be useful in forming and coordinating coalitions and movements. But smart people have tried for many years to build mass-based groups which trumpet conservative views in every area of public policy. That doesn't work.

The American Conservative Union (ACU) was founded more than 35 years ago. I've been an ACU director for many years. It has done good work. It was intended to be a mass-based group which is conservative on everything. But it never has had a mass-based membership which is conservative on every issue. Through most of its existence, it has been small in terms of budget and in terms of

number of members, as compared to some other groups which focus on a cluster of related issues.

Your Organization's Mission

If you plan one day to become an organizational entrepreneur, try to think like an inventor. Ralph Waldo Emerson said, "If a man write a better book, preach a better sermon or make a better mousetrap than his neighbor, though he builds his house in the woods, the world will beat a path to his door."

Emerson suffered from a misunderstanding which frequently misleads intellectuals. Being right, in the sense of being correct, doesn't mean you necessarily win. The success of a book, an organization or a mousetrap depends in large part on skillful marketing. But intrinsic merit certainly makes any new project more likely to succeed.

Think of an important kind of activity which should be done but is not now being done. Or a kind of activity already being done which you could do better.

When I founded the Leadership Institute in 1979, almost every other conservative educational foundation focused on issues and philosophy. That's wonderful work. I wish more of it were done. I benefit greatly from education from such foundations. The Leadership Institute does a little of such work, but education on issues and philosophy is not its primary role.

The mission of my foundation is very clear: to locate, recruit, train and place people in the public policy process. Conservatives are more successful as the number and the effectiveness of conservative activists increases across America.

Donors understand what I'm doing. They may support several foundations which specialize in issue and policy education, but they clearly see the uniqueness and the importance of the Leadership Institute.

I often give my students good books which cover issues and philosophy. I recommend many books and periodicals to them. But I focus on identifying, recruiting, training and placing people. Nobody else was doing just that. There was a market for the product of my new organization.

Think of an area of activity where more or better work should be done. Be able to express your group's mission in a short, clear statement. In marketing, this is called finding your niche.

It doesn't make much sense for you to try to start a group if there already is a nationwide organization doing a first-class job performing the same mission. It would probably make no sense at all for you to decide, "I'm going to create a rival to the National Right to Work Committee." The National Right to Work Committee does a great job of grassroots lobbying. But there are not many such examples.

You might consider a type of activity in which existing groups do things but the demand for that kind of work exceeds the supply. If existing non-profit groups aren't even close to doing all that needs to be done, you might be able to bring extra resources to the policy battle by starting a new group.

If your prospective new group's work is to be one of the main projects of your life, and it should be, make sure you have a strong and abiding interest in what it will be doing.

Consider also whether or not the problem you plan to address will remain important.

When I was a child, even grammar school students went door to door with great enthusiasm to raise money for the March of Dimes. Stopping infantile paralysis, the dreaded polio, was a hot issue because most people knew victims of that disease who died or were crippled.

When Dr. Salk and Dr. Sabin discovered vaccines which could prevent polio, the March of Dimes had a problem. A nice problem, but a problem nonetheless.

They had completed their well-known mission. Their officers decided to adopt a new mission, fighting birth defects, another good cause but one which has never captured the public imagination as did the fight against polio. However, birth defects will probably never be entirely eliminated, so they'll never have to start from scratch again with a new mission.

At a Leadership Institute school many years ago, some students working on an exercise came up with the idea of creating a new, national organization to fight the then-federally-mandated, nationwide traffic speed limit of 55 miles per hour.

I commented at the time that such a new group would attract a lot of support because millions of people, especially in the West, were outraged at the mandatory 55 miles per hour national speed limit. But I predicted that such a group wouldn't last long, because, new group or not, public outrage would force a

change in the law. Not long later, the law was changed, without the help of the proposed new group.

You shouldn't create a group which won't last long if it probably can't make any difference in the course of public policy.

Should you create a local, state or national organization?

While there are exceptions, such as the growing number of effective, state-based think tanks, most successful groups built by organizational entrepreneurs are national organizations. In a big state, it can be done. Gun Owners of California was a power in California before its head, H. L. "Bill" Richardson, founded Gun Owners of America. His national group quickly grew much larger than his state organization. For most public policy purposes, it's easier to raise money nationally than within a single state.

Local and state activity is essential, but a national group can draw resources from all across America, employ competent, full-time staff and focus its major efforts in those locations where it can do the most good.

Many national groups establish state groups based largely on volunteer activists. Two merits of such state organizations: It costs less to make things happen at the state level than at the national level; a national group's staff can gain expertise in the dynamics of the political process more quickly in many state efforts than it could by working the same length of time in the relatively fewer and less varied opportunities at the federal level.

If you form a group limited to your state, be prepared for your new organization to remain a useful and cherished hobby. Seldom do state groups have enough revenue to provide a living for those who found them; they tend to remain always labors of love which can't afford efficient offices and paid officers or staff.

There's nothing wrong with strictly volunteer conservative organizations. They do much good. God bless them; may they multiply.

If you have a major donor willing and able to underwrite the major cost of a state organization, that's a different matter. That can work.

Categories of Organizations

If you decide to become an organizational entrepreneur, you have several different categories of organizations to consider, each with different functions and a different legal status. Among the principal categories are: a political action

committee; a lobby, which is described in the Internal Revenue Code as a social welfare organization, a 501(c)(4) group; or a foundation, which is described as a public charity, a 501(c)(3) group.

Among foundations, there are various kinds, including:

- research foundations, which do research and publish the results
- legal defense foundations, which raise public policy issues in the courts
- political education groups, which teach people about issues and political philosophy or how to participate successfully in the public policy process

Some foundations combine two or more of these activities.

Foundations, lobbies and PACs all have their uses. Each can do things the others can't.

Foundations can take unlimited contributions, can make unlimited expenditures, can take contributions from individuals, corporations and other foundations and can provide individual and corporate donors tax deductions for their contributions. But foundations may not legally advocate for or against candidates or contribute to election campaigns, must disclose their major contributors and, except for a special category of foundation, may not carry on a substantial part of their activities attempting to influence legislation.

Lobbies can take unlimited contributions from individuals and corporations, can make unlimited expenditures to influence legislation and sometimes can keep confidential the identities of their donors. But a lobby may not contribute to candidates for public office at the federal level or in many states. A lobby cannot provide donors with federal income tax deductions for their contributions.

A political action committee, at the *federal* level, may take personal contributions but not corporate contributions. The amount one PAC can accept per year per person is limited by law. And the amount one person can contribute to all federal PACs, all federal candidates and all political parties combined is limited by law. Such a PAC can contribute to federal candidates, but only in amounts limited by law. It can make unlimited independent expenditures for or against a candidate. It can spend money to influence legislation except that it may be required to pay a tax; few PACs lobby. Its donors get no tax deductions, and

those who give more than \$200 per year must be disclosed in periodic reports to the Federal Election Commission. State laws regarding PACs vary greatly.

An organizational entrepreneur needs a good lawyer to sort these matters out and to avoid legal problems.

You may have a friend in another group with a legal status analogous to the one you're forming, perhaps focused in another policy area. As a first step, you could go to your friend and ask for copies of that other group's organizational documents.

You must create and file articles of incorporation and file an application with the Internal Revenue Service for your chosen tax status. You may wish to apply to the U.S. Postal Service for a reduced-rate, non-profit organization mailing rate. And you may want to have these legal matters handled very quickly.

It's easier to do these things if some other group will let you review its organizational documents and the applications it filed with government agencies. Then you can edit them to suit your new organization.

In any case, you should consult a good attorney. Don't call some fine friend of yours who has just graduated from law school and say, "I want you to draw up our articles of incorporation, application for IRS tax status, etc." Get an attorney experienced in these matters. Your legal work will probably cost you less in the long run and almost certainly will be done better and more quickly.

Three attorneys whom I use frequently and who have wide experience working for conservative, non-profit groups are:

Alan Dye, Esq.
Webster, Chamberlain and Bean
1747 Pennsylvania Ave., NW
Washington, D.C. 20006
phone: 202-785-9500

Cleta Mitchell, Esq.
Foley & Lardner, LLP
3000 K Street, NW #500
Washington, D.C. 20007
phone: 202-295-4081

William J. Olson, Esq.
8180 Greensboro Drive, Suite 1070
McLean, VA 22102
phone: 703-356-5070

As you describe your planned activity in your organizing documents and your applications to the I.R.S., *word your intended functions broadly enough to avoid future limitations.*

Several years ago I wanted to raise money through my Leadership Institute for a legal defense for a fellow who had been more than 20 years in Fidel Castro's prisons. Legal defense is a legitimate function of a 501(c)(3) group.

My lawyer reviewed our 1979 I.R.S. application. He said I'd better use some other vehicle for that legal defense effort, because our initial I.R.S. application didn't list legal defense as one of the Leadership Institute's intended functions. It hadn't occurred to me back in 1979 that I might want to do that one day.

Going beyond what you describe in your group's I.R.S. application risks your tax-exempt status.

A good attorney will make sure you don't forget to pay your annual corporate registration fee to the proper state agency and otherwise help keep you out of trouble. When in doubt, get good legal advice.

You should get professional help filling out your required I.R.S. returns and state-required reports each year. Even though yours may be a non-profit group and therefore pay no federal taxes, Uncle Sam is watching you.

Before they contribute, major donors often will require you to submit to them copies of your tax-status letter from the I.R.S. and your most recent tax return and annual audit. Major donors will feel more comfortable with an audit conducted by a major accounting firm than with an audit conducted by your brother-in-law on whose C.P.A. certification the ink is not yet dry.

Many organizational entrepreneurs started successfully with one category of organization, say, a lobby, and over the years created other, related groups such as foundations, a federal PAC and a state PAC. It isn't necessary or necessarily wise to start groups in different categories all at the same time, but it's prudent to think from the start about the possibility of eventually doing so.

Paul Weyrich, for example, runs a foundation, a lobby and a political action committee: the Free Congress Foundation; Coalitions for America; and the Free Congress PAC.

In Which Category Can You Be Most Effective?

Certainly there is room for new groups in all categories. But some types of new groups could have much more impact on the public policy process than others.

For day-to-day sheer clout, *no category of group is superior to a grassroots lobby.*

Any lobby can influence legislation. A **grassroots lobby** can systematically identify and recruit people who agree with it on policy questions, educate those people on their hot-button issues and activate them so they can be most effective.

It can survey candidates on its issues, report the survey results to its mass-based membership, and lead its members to thank candidates who are right on its issues and to communicate vigorously with candidates who are not right on its issues. Certainly it's easier to persuade candidates to adopt your position before an election than afterward.

A well-run grassroots lobby can force a politician to give them his vote or his seat. Thus, it can help make democracy work. Educated and activated voters can persuade an elected official that there's a close relationship between his legislative votes and his political survival. Politicians pay attention when their personal futures are at stake. Aroused voters can cleanse a legislature in subsequent elections.

Running an effective grassroots lobby is the supreme test of skills for an organizational entrepreneur. Few can do it well. But there's more opportunity for major new groups of this type than any other.

Conservatives in recent years have neglected **political action committees**. Some PACs which served conservatives well in the 1970s and early 1980s have disappeared or declined badly.

PACs can help recruit candidates and can have disproportionate impact on nomination contests. Political party committees can encourage candidates to run, but their rules usually prevent them from having much impact on who is nominated. You can't elect good candidates unless they are recruited and nominated.

It's harder to raise money for PACs than for any other category of group. But a few new, heavyweight conservative PACs could work wonders in the nomination and election process.

Mike Farris of Virginia started a conservative PAC, The Madison Project, which uses the same "bundling" process as the liberal PAC, EMILY's List. He gets many donors to agree in advance to write checks to candidates he recommends. Steve Moore's Club for Growth is another good conservative example. Other organizational entrepreneurs could follow this model.

Over the past 25 years, **foundations** have grown in numbers and in resources more than any other category of conservative organization. There are now conservative foundations active in almost every conceivable area of public policy.

One of the best known and most effective research foundations, the Heritage Foundation, was created because existing conservative think tanks were not timely in their work. Some were so cautious that they deliberately withheld publication of their research until after the Congress had voted on related legislation. Quick response was the key to Heritage's success.

Frankly, many public policy foundations produce more smoke than fire. That is, their achievements can be more apparent than real.

If all a foundation does is identify donors who agree with it and distribute to those donors materials which reinforce how right they are, it accomplishes little in the public policy process. Such a foundation might survive and even prosper financially. It might provide a living for its staff. But it doesn't have an effect on public policy proportional to its revenue. It's not a wise investment, although some donors may be persuaded otherwise.

To be effective, the organizational entrepreneur of a conservative educational foundation must make sure his organization does well one or both of the following:

- communicates a persuasive policy message to people who aren't already committed to its cause
- prepares those already committed to its cause to be more effective in the public policy process.

And there's an opportunity for a kind of activity in which liberals have been effective but conservative groups have much to learn. Various liberal groups employ thousands of people to go door to door, signing up new members and soliciting donations for a variety of causes. In recent years, dozens of solicitors for liberal foundations, lobbies and PACs have rung doorbells in my neighborhood.

This technique works, or it wouldn't be so frequently used by many different liberal groups. The first conservative organizational entrepreneur who studies this door-to-door technology, masters it and employs it will surely be successful.

Your Board of Directors

For the legal governing board of your new organization, you should have a small, odd number of directors. Each of those directors should be as close as possible to you, the organizational entrepreneur, and as far as possible from each other.

Your old college roommate, a successful small businessman who gave you summer jobs in your youth, a conservative pastor in your old hometown, some friend halfway across the country and two or four others similarly chosen could join you on your group's board. All obviously respectable people who share your views, fine people with good ethical standards. *But none of them public stars.* None of them likely to give you grief as your group becomes active and successful.

You don't want to have on your board of directors people who are themselves up to their necks in public policy battles or high-profile people such as elected public officials or heads of other policy organizations.

Usually, when you do effective things, you become at least somewhat controversial. Most policy groups have to do some controversial things to generate recognition and donor support. If you have stars on your board, people who don't like what you're doing will put heat on them.

If you have a prominent politician on your board, for example, other people may pressure or attack him. He may be prepared to suffer for you. Or he may confront you with two options: "Either stop doing these controversial things, or I'll have to resign."

Or a politician may later be involved in a scandal or a new controversy which could result in bad publicity for your group.

Surely you don't want problems like these. You don't want your prominent friends to suffer unnecessarily for you. Nor do you want them later to threaten to resign.

Just as important, if you work your fingers to the bone for several years and build up a million dollars in revenue and a healthy bank account, you don't want members of your board suddenly to develop a phony "sense of

responsibility" and try to divert the group's resources, which they didn't raise, to their own pet projects.

I know a number of organizational entrepreneurs who didn't have properly-composed boards. Down the road some of them even had to fight takeover attempts. So I suggest: no public stars or potential rivals on your board.

After your group is successful, you might consider expanding your board to include a very few of your long-time, major donors who are closest to you personally. They may then give you useful counsel and perhaps even get other major donors to support your group.

What About an Advisory Committee?

If you're sure your group is that rare sort which is not going to do things which will become very controversial, then there may be good reason to have some prominent, admired people affiliated in some way with it.

The Leadership Institute doesn't issue news releases attacking anybody. In fact, it issues very few news releases at all. It never supports or opposes pending legislation. It is prohibited by law from supporting or opposing candidates in any election.

News media cover what's hot today but are much less interested in what may be important in the future. My foundation gets relatively little news coverage because most of the good it does is in the life-long careers of its graduates and those whom it helps place in policy jobs.

My Institute has a bi-partisan Congressional Advisory Committee of about 100 conservative Members of Congress, all stars by definition. If your new group is not going to do much that is controversial, you *might* create an advisory committee of stars, people whose names on your literature would be of assistance to you.

But even under these circumstances, an advisory committee is a little dangerous. There may be people on your advisory committee whom a potential donor strongly dislikes. I've had a few look at our advisory committee list and tell me, "Ah, I know Congressman Jones. He's voted wrong on something very important to me, so you can't expect me to contribute to you."

When you put a person on your advisory committee, you inherit his enemies as well as his friends. I use our Congressional Advisory Committee list well in recruiting students for my programs but never in my fundraising letters.

If you decide you would benefit from having a star-studded advisory committee, here's the easy way to recruit its members:

- Make a list of a hundred or so people you'd like to have on your advisory committee, people whom you believe should be supportive of what you're setting out to do.
- Write a nice letter and send it, personalized, to all hundred of them. Explain what you're up to and invite them to join your advisory committee. Enclose a reply form and a stamped, addressed return envelope.

Those who say "yes" are your new advisory committee. You may get ten or twenty. It just takes that one mailing, and, boom, you've got it.

If everyone on your hundred-piece mailing is someone you'd be happy to have on your advisory committee, the ten or twenty who respond favorably will make a *fine* list for your literature.

I know people starting new groups who have targeted just a handful of stars they wanted on their advisory committees. They've spent many weeks, even months meeting and calling and trying to convince a few specific people to lend their names to new advisory committees. What a waste of time.

Prominent Endorsers

As I said, if you're going to do controversial things which might give trouble to stars who are working with you and cooperating with you, you shouldn't have a public advisory committee. *But there's another good way to get people who are friendly to you to lend their names to your organization.*

Make a list of many stars whose endorsements would help you in various ways, especially those whom know you personally. Write them nice letters and ask them to write you back letters of endorsement.

Some will surely respond as you wish. You can use these letters, or excerpts from them, in your fundraising and promotional literature. They will give you increased credibility. Some may be willing to sign fundraising letters for you.

But these endorsers will not have a place on your letterhead. They will have no formal and permanent arrangement with your organization. If for any reason they become uncomfortable with your group, there's nothing for them to

resign from. If any one of them gets upset at what you do, all you have to say is, "O.K. I promise I won't use your letter or your quote anymore."

When to Start Your Organization

For an organizational entrepreneur, a successful start-up is the most difficult thing to do.

You might do as I did. Start your group early, perhaps several years before you'll have to pay your salary and maybe even your group's rent with the donations you raise. Operate your group out of your hip pocket, so to speak, while you're employed elsewhere. You don't have to launch your group when you personally must sink or swim depending upon whether or not this month you receive sufficient donations.

And surely staff I hire benefit from my long experience as an employee myself in the private sector and in government.

I began to hold national leadership schools in 1968, when I worked for the College Republican National Committee.

Later I ran training programs through a new political action committee I formed on the side while at the American Enterprise Institute.

I founded the Leadership Institute on the side while with conservative direct mail giant Richard Viguerie.

Then I went to work for Senator Gordon Humphrey (R-NH).

Then for Ronald Reagan at the White House.

I suggest you build up your organization to the point where there's sufficient revenue to avoid taking too big a risk as you leap to independence.

It was not until 1984, at age 44, after three years on the White House Staff, that I resigned to take my chances as a full time organizational entrepreneur. The Leadership Institute had been in existence for five years. It grew as I operated it on the side while I held other jobs.

While building your non-profit group, if you have marketable skills, you might work as a consultant or start a for-profit company selling goods or services.

On the other hand, don't start a group until you're ready to do things with it. It costs you money, probably does you no good and could harm your new

group's future prospects if it lies dormant for years. One exception might be to create a group, get all your legal documents filed, etc., in anticipation that a particular issue would become hot later.

Plan Growth Carefully

Here are two common mistakes of people who found organizations:

- overestimating what you can do in the first year
- underestimating what you can do in the tenth year

If you found a new organization, focus narrowly on one thing and do it well. Don't plan in your first year to have lots of conferences, publish two kinds of periodic newsletters, write three books, defeat two bad bills, pass three good bills, beat seventeen bad candidates with seventeen good ones, host five gala dinners, hire a big staff and recruit a dozen fine interns.

Focus narrowly on the one thing you've decided is the best project you can do to fulfill the mission you've picked for your organization. Concentrate on that. Become a success. Become known as the source of expertise in that area.

That's what the Leadership Institute did. Although my Institute was founded in 1979, I'd been teaching students political leadership skills at the national level since 1968. My new organization did Youth Leadership Schools, and little else, until 1983. I focused on that.

Any conservative interested in organizing students soon learned, "If you want to learn how to organize students, you must go to The Leadership Institute's Youth Leadership School." I created the best source of this training. Nobody else taught a school analogous to mine. Its reputation grew.

Not until 1983 did I create our Student Publications School. By 1984, when I could devote more time to new projects, I was recognized as an expert in political education and training. Then I began to hold our Capitol Hill Staff Training School.

Gradually I expanded my training programs, adding about one new type of program each year. Now my Institute offers 27 different kinds of schools. I slowly but steadily expanded the Institute's staff and services. Our Employment Placement Service, for example, now finds public policy jobs for over 100 people each year, many of them graduates of my training.

An organizational entrepreneur should become an expert at something. If possible, the pre-eminent expert. Once you are an expert, you have credentials. People will take you seriously when you undertake something new.

But if you try to do too many things at once, you're in trouble. Big trouble. You can't do it all. You simply cannot do well all of the things you might want to do. Focus first on one thing, and do it right.

Once you have even a little fame in one area, people will accept you as an authority on other things. O. J. Simpson made his fame as a football player. Then a rental car company paid good money to him to make commercials for it. The car-renting public didn't know about his personal life, just his fame. You can do a lot once you have developed a reputation. But *focus first on one thing, and do it well.*

Add new projects one at a time. Be very cautious about it. This takes a lot of brainwork. Think about what your new project is going to be, how much of your time it will take, who is going to be involved in it, who is your target audience, how you will recruit people for it, how it fits in with your other programs and how you can pay for it.

If you carefully think out and implement each step of your growth, you may be pleasantly surprised in your tenth year that the amount and types of good you are doing exceed your most optimistic expectations.

Qualifications and Pitfalls

A really first-class organizational entrepreneur is:

- solid philosophically
- technique-oriented

- courageous
- persistent

- free of crippling eccentricities
- able to build lasting bonds with donors

- prudent about making commitments
- scrupulous about keeping commitments

- skilled in the use of the English language
- good with numbers and in handling money

- managerially competent and able to cope gracefully with those less competent
- focused on, credentialed in and ambitious to succeed in the organization's area of policy or activity.

Some organization heads compensate for weaknesses in some of these characteristics with extra strength in others.

By no means does every effective conservative activist have to become an organizational entrepreneur.

Every successful group includes deeply committed people of solid competence who can maximize their effectiveness by working for others. There's nothing wrong with that. It's a high calling. Ralph Reed became famous as the omniscient executive director of Pat Robertson's Christian Coalition. His subordinate role enhanced his personal power to make things happen. Now he's a successful political consultant.

If you specially enjoy the details of an area of policy, don't assume that you must go out and form a new group in order to be effective in that area.

You might be happier and more influential as a policy analyst, a journalist or a legislative assistant than as a fundraiser and a manager. You may not enjoy spending your time on the many business-related aspects of an organizational entrepreneur's job. Hiring staff can be fun, but letting someone go can be agony. Consider your own strengths and weaknesses. Do you really want to do what a chief executive officer does?

Not every organizational entrepreneur is a noble creature. Lord Acton was right about power tending to corrupt. Sometimes power goes to a leader's head, and he becomes insufferable or loses many of the above-listed characteristics which made him successful.

Sometimes money is too tempting.

It is bad practice, dangerous and wrong for the head of a non-profit group to purchase, for his group, goods and services from for-profit enterprises he owns. But this sometimes happens. I've noticed that non-profit groups managed in this self-dealing fashion either stop doing much good or die as the head of the group gets greedy to put his group's resources into his personal pocket.

Your salary level should be set by your board of directors, not by you. It's good practice for your board to form a salary review committee for you from among its members to make periodic suggestions for consideration by the entire

board. Your pay should not be toward the high end of the range of salaries paid to heads of non-profit groups of similar size.

If you have what it takes to be an organizational entrepreneur, you probably could be successful, and perhaps make more money, as a business entrepreneur.

Consider carefully what is important to you. Which activity, business or public policy, will give you the greatest job satisfaction? Either way, you might make a decent living and provide for your family. Either way, your success depends on your efforts. Either way, you could fail. To decide what's right for you, ask yourself in which role you'd be happier as you go to work each day ten or twenty years from now.

Be a Good Steward

Keep your overhead low, otherwise it can kill you. Pour every cent you can into your program and into recruiting new members and donors so you can become more effective and powerful.

Start off with the least expensive things you can function with. Get used furniture. Scrounge furniture from friends and family. If some organization or business closes down or is downsizing, it has old furniture and equipment you might get for little or nothing.

Be very cautious when you buy machinery and office equipment. My former employer, Richard Viguerie, says, "If I'm ever reincarnated, I want to come back as a salesman of business equipment to small organizations." I know one national conservative group which purchased an expensive, unnecessary mainframe computer years ago and almost collapsed when it soon couldn't pay its bills.

Do first class work, but settle for less than top-of-the-line, new equipment. Beg, borrow, do anything but steal what you need to function. For years I repaired an old impact printer at my Institute with pieces of paper clips and epoxy glue.

Ask friends in other organizations if they have any old equipment they no longer use.

If you buy any new equipment, don't try to get one piece of machinery which will do everything: type all your letters at record speed, hold all of your data, make copies, send and receive faxes, take messages, make coffee, stuff

envelopes, lick stamps and put them on envelopes. Buy separate pieces of equipment.

If one piece of equipment breaks down, you don't want to be stopped in every category of activity. That just doesn't make sense. And you'd almost certainly be paying for capabilities you can't fully use.

Get individual machines which perform different functions. When you have to upgrade your capability in one area of activity, you won't have to pay as much.

Recruit office volunteers if you can. You can keep your overhead down with volunteers or an inexpensive intern program. My Institute still recruits valuable office volunteers. And our intern program is one of the best.

As you start hiring staff, I suggest you employ very highly competent, entry-level people, people whom you think have great futures before them. You may not be able to pay them raises big enough to hold them for many years. But, well supervised, they will make your initial program a success.

Beware of mistakes which can be made when your well-meaning but inexperienced organization grows faster than do its internal controls, when informal ways of handling money no longer suffice but are still employed. You should develop for your group the right sort of formal procedures to ensure that there can never be any questions about how money is handled, and that employees will not be unnecessarily tempted to do the wrong thing.

If you build a successful organization, good stewardship requires that you make provision for succession. Life is uncertain. You may not live long enough to turn your organization over to a person of your choice.

You can't run a group from the grave, but you can leave suggestions. Prepare for your directors a letter with your advice regarding the future of the organization. Specifically designate an appropriate successor whom you believe has the right qualities to carry on your work. Ask your directors to give that person the same cooperation and support they gave you. Leave sealed copies of your letter with two or more of your directors.

Funding Your Organization

There are many different ways you might fund your activities. Among them:

- direct mail

- grant applications to donor foundations
- personal solicitation of major donors
- fees charged for products or services
- planned giving (wills, trusts and the like)
- telemarketing (dialing for dollars)
- radio and television appeals
- door-to-door solicitation (used often and well by liberal groups)

None of these techniques is horribly difficult to learn, but most people have more native ability in some types than in others.

Each type of fundraising is a different area of expertise. As in every other area of organization and communication technology, you can learn by personal experience, by observation and by going to occasional training programs. Any group which neglects to train its staff and to prepare its members and donors to be more effective doesn't deserve to succeed.

Most groups use direct mail.

Some groups go broke using direct mail.

The Leadership Institute uses the first five listed types of fundraising. School registration fees amount to less than 2% of our revenues. About 97% of our revenue, including contributions from personal solicitations, planned giving and grant applications, comes from donors who first contributed to my group through direct mail.

Most groups raise most of their funds through the mail. Most groups start off by hiring a direct mail consultant. That is not a bad thing, but it can be dangerous. My group has no direct mail consultant because I learned that technology while working for Richard Viguerie for seven years in the 1970s.

Have any direct mail contract proposed to your group reviewed by an experienced organizational entrepreneur who has dealt with more than one direct mail consultant.

You want a contract which gives you unrestricted use of the list of people who donate to your activities. Some contracts don't.

You want a contract which would enable you some day to be independent of the fundraising consultant. Some contracts could have the effect of tying you forever to one consultant, to your disadvantage.

You don't want a fundraising contract in which the fundraising consultant gets a fixed percentage of your net money from direct mail. Some contracts specify this.

Most people don't understand that even *successful* "prospect" mailings, mailings which go to people who have never given to your group before, can lose some money. If prospect mailings lose only a little, you can quickly make up that loss with profitable mailings to the new donors on your "house file," the list of your donors.

I suggest you plan from the outset for your group to develop over time the capability to take charge of its own fundraising.

Conservative groups rarely get grants from the government. Avoid accepting government funds for your operations, even if they are available to you. They create a dangerous dependency and limit your freedom of action. They can depress voluntary donations because donors and potential donors may question your independence and your commitment to conservative principles.

I head another foundation, the International Policy Forum, which is now largely dormant. It specialized in international political training. I obtained government money for it for foreign training programs on three occasions through the National Endowment for Democracy. Each time, government regulations and harassment got in the way of doing a good job. Almost all the good that small foundation did was with privately contributed money. You can't save the world if you can't pay the rent. But having the money isn't as important as doing the right job.

Your Donors Are Your Constituency

Take good care of your donors, and they'll take good care of you.

Most privately supported organizations do not do a first-class job of working with their donors. Do all you can to create ways and means to involve them in your program. Thank them and make them feel good about their participation with you.

I receive mailed newsletters every day from conservative organizations which have dedicated staff doing good work. Too many of those newsletters brag

about all the good things their organizations are doing and are filled with photos of their organizations' heads and top staff.

Your newsletter goes to your donors. Don't brag about your activities. You can present the same topics in such a way as to thank your donors for what they have made possible. Be grateful to your donors. Give *them* credit for what you're doing. They *do* make it possible.

Groups led by organizational entrepreneurs can bond more strongly with their donors than can groups which frequently change leadership. People tend to give to people rather than to organizations. The relationship of a donor to a group may break when the group elects a new leader not familiar to the donor.

If you achieve great things in the public policy process, you may be scrutinized by the news media and those who don't like what you are doing. You may be attacked viciously.

Don't worry much about criticism. The news media and your opponents are not your constituency.

Your primary constituency is your donor base. Being attacked unfairly by liberal media, liberal politicians and liberal organizations can sometimes even help you with your donors. You're fighting their fight with and for them. You can contact them directly and avoid the filters of the liberal media. They may support you more generously because of your enemies' attacks.

Operating in a Movement

How would your organization fit into the conservative movement?

A movement is not an organization.

A group run by an organizational entrepreneur is like an army or a private business.

In a line organization, the person at the top gives orders to the people down below. The general gives orders to the colonels, who give orders to the lieutenant colonels, and so forth down to the buck privates.

If he's wise, an organizational entrepreneur gets much good information and advice from those below him in the structure. And he delegates much authority. *But he has the ultimate responsibility. So he gives direction to his group.*

A movement is a collection of people and organization heads moving in the same direction, each one guided by his own internal compass.

You can work closely together with others in a movement. You can cooperate with other people and heads of other groups, even persuade them to adopt your suggested courses of action. But no organizational entrepreneur can give orders to any other.

When working in a movement as an organizational entrepreneur, think of ways to help other groups and cooperate with them. But keep the faith with your members and donors; don't divert their resources to activities not related to your group's mission.

Would you think that the National Right to Work Committee would have an institutional interest in stopping the Clintons' government health care scheme? On the face of it, no.

But it turned out that Hillary's plan had a little plum hidden inside it for organized labor. Her plan specified that any worker's private health plan which provided benefits more generous than the standards set by the government would be taxed, except if that plan had been negotiated through a union contract.

This exception, of course, would give an enormous advantage to the labor unions. Your benefits could be taxed if you did not join a union.

Coercion to force workers to join unions was precisely what Reed Larson's National Right to Work Committee was organized to fight. So his large, effective organization joined the conservative groups battling against the Clintons' health care power grab. That's a classic example of conservative movement cooperation and success.

Don't ask or expect other groups to help your group fight your battles unless you can show how their institutional interests are served.

Composition of a Movement

Coalitions (or movements) are composed of independent activists and organizations. A coalition which works well and cordially together for a long time may come to consider itself a movement.

For a coalition or movement aspiring to be a governing political majority, the greater the number of causes represented by activists in the coalition and the greater the number of well-led organizations working comfortably together, the

more effective the coalition will be. But that does *not* mean that all the activists in each group will agree on the issues important to all other allied groups.

Ideally, heads of groups in a coalition will be personally solid on the issues important to the other groups in the coalition. But to be successful, they must focus their separate groups' efforts on activities clearly within their respective missions.

It would make no sense, for example, for the National Right to Work Committee to make public pronouncements about child pornography or gun control.

Nor should any group in a coalition be out front supporting and building up politicians who are militantly wrong on issues of vital importance to other groups in the coalition.

Long-lasting coalitions can include widely disparate groups. President Franklin Roosevelt's New Deal coalition included liberal intellectuals, corrupt big city political machines, Southern segregationists, black political groups, Jewish organizations, most American Catholics, almost all Southern Baptists, etc.

In any public election, not all the people who vote the same way agree with each other on all major issues.

The legislative process and other types of public policy contests work the same way. In her successful battle in opposition to the so-called Equal Rights Amendment, Phyllis Schlafly said something brilliant: "We must be broad-minded enough to allow people to oppose the ERA for the reason of their choice."

Here are a very few of the reasons different people worked with Mrs. Schlafly in the fight she led against the Equal Rights Amendment:

- Some didn't like the destruction of the state laws with respect to inheritance.
- Others didn't like the idea of women in combat, or drafting women.
- Others didn't like the idea of giving homosexual marriages the same legal status as marriages between men and women.
- Others didn't like the proposed amendment because they saw it as pro-abortion.

There are many reasons for people to support or oppose a legislative measure or to vote for or against a candidate. Different organizations can

activate, on the same side in a contest, different groups of people, each with a different motivation.

Organizations, Movements and Political Parties

Most public policy organizations are non-partisan. To be true to the causes for which they are organized, they must be free to help their friends and harass their foes, regardless of party. By law, foundations must be non-partisan. Nevertheless, coalitions and movements often find political parties useful as vehicles for candidates and causes important to them. The receptivity of a political party to new, cause-oriented groups of activists can determine whether that party grows or shrinks.

Cause-oriented activists should never forget, however, that a political party includes many people who are involved for reasons that relate little or not at all to policy questions.

A political party is not sufficient for a movement. Nor is a movement sufficient for a political party. Some people are in a political party for geographical reasons, others because of family tradition. Some people join a party because they see it as their quickest route to power, prestige or money.

You Can Make Things Happen

As an organizational entrepreneur, you could become a highly effective activist. Your organization could develop large cadres of effective activists. Then, when opportunities arose in a legislative battle, an election contest, or a public policy battle of any kind, the people whom you have identified and activated would be ready and able to focus their actions intelligently.

Over the years, I've given briefings on these topics more than 100 times to people who have come to me hoping to create or improve public policy organizations. Some have had considerable success. I hope this advice, now written down, will be useful to many good people in the future.

I conclude by saying I firmly believe that being right in the sense of being correct is not sufficient to win public policy battles.

In the long term, the winners in any public policy contest are those who have the greatest number of effective activists on their side.

You owe it to your philosophy to study how to win. Then you can make things happen.