WHITE PAPER

Shifting to an Entrepreneurial Culture in Membership and Non-Profit Organisations

How do I successfully embed commercial thinking in my organisation?

Shifting a membership or charity-based organisation from an “inside-looking” mission culture to an entrepreneurial, revenue-seeking culture is hard in almost every dimension of organisational life. The key reasons being:

1. Identity & Legitimacy

Mission as the organisation’s “reason to be.” Members, volunteers, donors and staff typically join because they identify with a cause. When commercial language (“customers”, “markets”, “products”) takes centre stage, people ask whether the organisation is still itself or has become “just another business.”

External legitimacy risk. Non-profits enjoy tax privileges and public trust precisely because they are not profit-maximising. A sharper income focus can trigger media, regulator, or donor scepticism (“mission drift”).

2. Member & Stakeholder Expectations

Value proposition inversion. In member bodies (professional institutes, unions, co-ops, clubs), the members used to be the “owners” and beneficiaries; in a commercial frame they may start to feel like fee-paying customers. That reversal can damage retention and engagement.

3. Governance & Decision-Making

Constitutional constraints. Many associations' bylaws, charity charters or cooperative articles literally bar activities seen as "trading for profit." Amending them requires member votes or regulator consent - processes that surface deep anxieties.

Role stretch for trustees/directors. Volunteer boards comfortable with oversight and stewardship must suddenly assess market risk, pricing, IP, competition, brand licensing and even M&A. Few feel qualified; advisory sub-committees proliferate, slowing strategy.

4. Culture & Capability Clash

Different skillsets and mindsets. Traditional non-profit culture prizes consensus, prudence, and long-term relational capital; entrepreneurial culture rewards speed, iteration and risk-taking. The two run on different "operating rhythms".

Talent tensions. Commercial managers recruited to launch ventures may perceive legacy teams as slow or naïve; legacy staff may see the newcomers as mercenary. Without deliberate integration work, both groups disengage.

5. Mission Drift & Resource Allocation

Subsidy of the new by the old (and vice versa). Cash generated by trading arms can end up propping up the mission - or mission activity can be squeezed to feed the venture's capital needs. Either scenario fuels perceptions that one side is "capturing" resources belonging to the other.

Cognitive bandwidth. Leaders only have so much attention; time spent on product launches, pricing models or franchising is time not spent on advocacy, programme quality or member care.

6. Psychological & Moral Hazards

Fear of "selling out". Long-term volunteers often equate purity of motive with scarcity of money. Introducing commercial logic can feel like moral compromise, even when the goal is simply financial resilience.

Loss of intrinsic motivation. Studies show that when previously mission-motivated people receive financial incentives, their intrinsic drive can decline, hurting volunteerism and giving.

Putting it together

Because a mission-centric identity underpins why members, donors and staff affiliate in the first place, a pivot that seems to subordinate that mission to income feels like an attack on the organisation's very soul. Unless leaders explicitly articulate how new revenue streams serve the mission, install governance safeguards, and invest in cultural integration, they risk a spiral of mistrust, member exit, staff turnover and external legitimacy loss.

In short, for membership and non-profit organisations money is never "just money". It carries ideological, legal and emotional meanings that must be managed as carefully as the balance sheet.

How do I overcome resistance?

The good news is that it is possible to successfully develop your organisation's commercial / entrepreneurial culture, without harming your mission and disengaging your people by following this process.

Stage 1 - Develop Strategy

Defining the objectives – what and how you are trying to achieve, what is needed and what is the plan?

Exploring the challenges – what are the potential barriers to your chosen commercial strategy/approaches?

Exploring the considerations – what are the key dependencies you need to overcome or achieve to make your commercial strategy successful?

Defining the benefits – through a commercial lens, be really clear about why a customer should buy a product or service. Outline what the benefits would be from their perspective, not yours.

Stage 2 - Business Alignment

For commercial approaches to work, everyone must be bought in and aligned with the approach. This cannot be mandated - it must be about hearts and minds. Expect there to be some resistance to change and a fear/distaste of "commercial". You may want to consider providing a safe space for colleagues to explore resistance to change, objections and to allow a re-education of what "commercial" really means: that your products and services are there to benefit broader society and/or to further the aims of a profession.

This process could also provide colleagues with exposure to commercial best practices to further build their confidence and further break down misconceptions.

Stage 3 - Commercial Messaging

Finally, you should consider involving senior leadership and key colleagues from across your organisation in developing the commercial messaging. Ultimately, this messaging will be used to develop the value proposition and associated content to support business development activities. You could involve colleagues in:

Creating compelling and impactful messaging to appeal to your target audiences.

Understanding what you would need to do to compete with other organisations who already occupy your space.

Considering how to effectively communicate your value propositions with target audiences, including evidence of the positive impact your products and services have on your customers. This could include developing case studies, testimonials, etc.

Commercial / Entrepreneurial Top Tips

These are the things that, from Intercloud9's experience, have really made a difference during this journey. By following our "top tips" you can maximise your chances of success.

Start with the end in mind – and stick to it

It goes without saying but it's vital to understand and be clear about where you want to be. It is so easy to get distracted with day-to-day problems, and to be expected, but keep reminding yourself, and your people, where you are heading. Make it really clear and keep it simple.

Get great advice

It can feel like failure to ask for advice. It's natural to think, especially when you're in a senior position, that you need to know all the answers. But that is not true. Not-for-profit organisations are very complex, and you do yourself and your membership a disservice if you fail to look outside for a better understanding of what "good looks like" and how to get there easier, faster and better.

Get great advice from experts

When looking for advice, go to the right place. Understanding the membership/not-for-profit sector is really important, as is having a broader commercial knowledge.

Make good use of interims for a period of time to help accelerate your journey with the right skills and embed those skills within your organisation. At the very least, find an expert or experts that understand and have a track record in overcoming the challenges that not-for-profit organisations experience.

Be open and transparent wherever and whenever you can

It can be hard to level with your team, especially if the outlook is less than positive and you need to make big changes. The earlier you can bring people into that conversation, and the more open you can be, the better. People find uncertainty really hard to cope with, so again, being clear on where you need to get to, and engaging with people around how you are going to get there, will really help to bring people along on the journey with you.

It takes time – and that's OK

Transformation does not happen overnight. It always takes longer than you think. As long as you are moving forward, focused on your target state, you will get there.

Dedicate the resources

You cannot expect your people to deliver transformation alongside their day job. Make sure you have dedicated resources, with the right skills, set to lead and coach the entire team.

Don't try to do everything all at once

The more moving parts you have, the more difficult it is to manage so we recommend tackling any change programme with a systematic approach, achieving results before moving into the next phase.

Lean into data and facts – not anecdotes and opinions

It is common for well-meaning colleagues to present opinions as fact, which can lead to wasting time on something that would have been obviously unnecessary if the data had been reviewed first. Anecdotes and data come from a good place, but make sure that you know what the basis is, and that it is rooted in facts that can be proven with data, before you make decisions. If you do not have the data, get the data, even if it means taking longer. You will save time in the long run.

Hold your nerve

If you are transforming an organisation, we guarantee you will be criticised, talked about, and even shouted at. Change is stressful for most people. This stress comes from a place of fear, and it is to be expected. But the reaction from others caused by their stress can result in you wanting to back off and restore the status quo.

It is essential to remember that it is the "status quo" that is the biggest threat to any change programme. If you are communicating often and openly, you can counter some, but not all of negativity. Don't try – hold your nerve and keep going.

Remember – it's all about the people (and processes and technology, but mostly the people).

Finally, organisations transform when people transform. Strong, consistent leadership, underpinned by effective management are the key to success. With your people alongside you, anything can be transformed. But people can also be the biggest reason for failure, with change resistance, or even just change inertia, being the top reasons for failure. For people to be engaged in change they need to:

1. Know where you are heading and feel positive about the direction being taken.
2. Feel dissatisfied with the status quo.
3. Be involved with defining how you are going to get there.
4. Know what the immediate next steps that they need to take are.