



MONITOR GROUP CASE STUDY

Interview conducted with Bill McClements, Partner

Monitor Group is a leading international advisory and financial services firm with 29 offices and 1500 employees worldwide. Monitor provides strategic consulting services to major companies, governments, and philanthropic institutions. Monitor Group also operates its own global investment funds in both private equity and venture capital, in addition to providing M&A advisory services.

Project Examples

New Profit, Inc.

“The New Profit partnership is something I’m really proud of,” stated Partner Bill McClements.

New Profit, Inc. saw a gap in funding model in the social sector for organizations that had proven a concept and were prepared to expand beyond one location. Many funders were more interested in supporting new ideas than helping these proven ones grow successfully. New Profit was founded by successful social entrepreneurs to provide “venture philanthropy” to organizations in this situation. They intended to provide funding and various forms of management support specifically targeted at growth. They invest in a portfolio of organizations over a four year period and provide guidance to CEO’s and take seats on the board.

Monitor has provided pro bono support to New Profit in their development since 1998 and has been their signature partner, providing executive coaching and consulting services to the organizations in New Profit’s portfolio. As a result, the New Profit pro bono relationship has led Monitor to work intensively with the 22 social enterprises in which New Profit has invested. From its inception, New Profit has grown from 2 people with an idea to a team of 18 that has provided over \$30 million in growth capital investments and a similar amount in pro bono support.

Resulting from consistent pro bono work with and through New Profit, Monitor Group has established itself as “a company with a real conscience and also a company that does things in innovative ways.” The relationship has been valuable to the Monitor community and has provided a compelling message for recruits.

City Year

In 1993, Monitor Group worked with City Year, a national youth service organization, to help them expand from two sites to six sites. Monitor was instrumental in developing and implementing a strategic training curriculum to help City Year bring on board and acculturate a large amount of new staff during this rapid growth phase and beyond. Monitor has also worked with City Year on its internal management structures, key partnerships and its expansion into South Africa.

Good Business?

Recruitment and Reputation

Monitor's work with New Profit, Inc. and its many exciting portfolio organizations (you might want a call out box with a list) provides a compelling and concrete message to employees and recruits at all levels about the firm's values. In addition, many younger consultants look for ways they can gain social enterprise experience through their career, and Monitor's pro bono structure allows them the opportunity to work with non-profit organizations using their professional experience and training. They view Monitor's involvement in pro bono as something meaningful to them—that their potential employer does something to promote social change. "I don't know of any partnerships that are quite like ours with New Profit, and as the partner in charge of recruiting for Monitor, and I take every chance to talk about why we're different, both from the perspective of being a company with a real conscience, but also a company that does things in innovative ways."

By aligning with New Profit, Monitor is confident that their pro bono work will have high impact in collaboration with New Profit because of their strong selection process and the strength of the collaboration with the New Profit team.

New Perspective and Innovative Solutions

"Through our pro bono work, we have developed innovative ideas and solutions around business strategies, which apply to clients in both the social and for-profit sectors; the experience can generate new intellectual property" by expanding the abilities and perspectives of Monitor consultants.

Employee Development

"We wanted to make sure there was a real give/get in the formula, and that this wasn't just about charity on Monitor's behalf. In fact, New Profit insisted this be the case. The core of the give/get was really about 'people development' within the firm. Through the case teams and coaching opportunities, we created opportunities to put our people in these interesting and challenging situations with these exciting [non-profit] organizations."

From a developmental perspective, engaging in pro bono services has been a valuable endeavor for Monitor. "Many senior partners have been deeply engaged in the New Profit relationship and have served for years as coaches to the CEO's in the portfolio. Several of them have noted that the New Profit partnership is one of their favorite things and reminds them why they love their job."

In addition, the perspective and experience the sector provides to Monitor's employees is used in supporting, broadening, and deepening their relationships with clients. "Because many for-profit CEOs spend time with social enterprises and occasionally express concern and a desire to better support them, they really appreciate it when we can provide an insightful perspective for them. It is another way we can be of help to them as they seek to have an impact on their communities."

Evolution of Monitor's Pro Bono Involvement

Monitor has engaged in pro bono work since its founding in 1983, but the current model of deep investment through New Profit Inc. began in 1998. Having a deep relationship focused and innovative model for pro bono work aligned with their mission and business culture. The relationship with New Profit, Inc. has been growing consistently over the past decade, meeting and exceeding expectations for impact and success.

From the beginning, there were individuals in the firm motivated to work with organizations driving social change and they pursued these interests on their own for the most part. With a commitment in 1993 to establish Monitor Institute, the firm began to make more organized forays into projects which involved larger teams (see City Year example above). In addition, in the late 1990's some junior consultants joined together to organize pro bono work they wanted to pursue. They started, along with peers from Bain & Company, an organization called Inspire which provides pro bono services primarily to local educational institutions. They work together in teams comprised of consultants from their own firm. Monitor is supportive of Inspire, but its genesis and ongoing operation are totally organic.

Monitor Institute has evolved since its inception in 1993 into a tightly integrated enterprise with its own legal structure, to provide reduced-fee services to non-profits and foundations focused on developing new solutions and innovative coalitions to address social problems and opportunities. "The Monitor Institute leverages the intellectual, human and financial resources of Monitor to amplify and accelerate the public benefit created by innovative private actors—citizens, nonprofit organizations, philanthropists and corporations."

With employee-driven social awareness, Monitor Group has developed strategic pro bono relationships with New Profit, Inc., City Year and many other organizations with significant positive impact. Collaborating with each of these clients has generated greater social impact externally and expanded the expertise of Monitor Group.

Pro Bono Strategy

New Profit, Inc. approached Monitor Group in 1998 looking to partner with a strategy consulting firm to provide professional guidance in developing a successful model and business strategy. "When we looked at this [organization], we saw real opportunity and felt that partnering with proven social entrepreneurs would enable us to be a lot more effective in the pro bono Monitor was already doing. We also believed deeply in their cause."

Monitor Group proposed full partnership and asked New Profit, Inc. to occupy space in Monitor's headquarter building, so it would be easier for social networks to form and talent to flow across organizational boundaries. "Building a relationship like this across two sectors can be quite difficult, and I wouldn't advise anyone to do it lightly. Both organizations must be highly committed to making it work." To make this partnership successful, Monitor and New Profit established multiple strong points of contact to address opportunities and problem areas.

"Our partnership definitely began top level to top level. Now we connect at multiple levels throughout the organizations, but it started with commitment at the top. Without that level of commitment, it would be much harder to make it work."

Pro Bono Management

Monitor has been able to offer New Profit a variety of strategy-based services for the organizations in their diverse portfolio including senior coaches and case teams. Senior coaches, partner-level personnel at Monitor, are partnered with New Profit's non-profit CEOs to help them navigate strategic and management issues. Case teams then work directly on planning for growth and addressing other implementation challenges over time.

Project Acquisition

Every year New Profit adds 5-6 thoroughly vetted non-profits to their 22 organization portfolio, each under 4-year commitments. Monitor provides partner-level coaches to the non-profits during the entire 4 year period. Monitor also provides growth strategy consulting to the organizations, typically in the first year or two of their relationship with New Profit. Later in the relationship, additional consulting work is common but its nature and focus is driven by the unique circumstances of the organization. This constant renewal of demand creates a regular stream of pro bono work for Monitor. Between the coach, the case teams and New Profit's team of portfolio managers, Monitor is able to consistently stay involved with their clients, establish an in-depth knowledge base, and produce greater impact.

Monitor's extensive partnership with New Profit limits the amount of outreach they can do to work with non-profits external to New Profit's portfolio.

Acquiring pro bono projects through New Profit has been helpful to Monitor by providing a set of projects with strong similarities, thus shedding light on the challenges of growth for social enterprises. With a foundation of experience with these issues, Monitor can be increasingly effective in their work. In addition, New Profit provides complementary services which substantially enhance the impact of Monitor's work.

Monitor has worked on over 100 pro bono projects, 70-80 of which were acquired through New Profit, Inc.

Determining the Amount Pro Bono

Pro bono assignments, generally, comprise less than 5% of total work. The amount at any given time is determined based on the opportunities present and the constraints of the firm's for-profit practice. Monitor provides \$3-4 million in pro bono services to and through New Profit per year (market value) which is calculated as if the case was for a paid client.

Employee Involvement

Employees are staffed on a pro bono team through the same process as for-profit client teams. The firm designates teams based on the needs of the project and people's capabilities, interests, and cost. Over 250 people have worked on pro bono projects with New Profit and its portfolio organizations.

Employee Evaluation and Recognition

Pro bono cases are treated the same way as for-profit work and people go through the same project evaluation and recognition (bonus compensation) as with paid client cases.

In addition, last year the Boston office held a "social involvement summit." This was an opportunity for people to talk about the work they do through the company and on their own in their communities. They invited outside speakers and held panel discussions to celebrate and discuss office-wide pro bono work.

Impact Measurement System

New Profit quantifies the community impact and growth rates of the organizations. They report over a 30 percent increase in number of lives touched and revenue growth for their portfolio organizations each year. Because Monitor Group is so closely connected with New Profit, Inc., these metrics are considered joint impact results.

Monitor evaluates their project impact in same way as with a paid client.

- Has the client addressed the challenge?
- Did we arrive at a feasible, sustainable solution?

- Have we transferred the right capabilities to the organization that will be helpful for them the next time they have this problem?

Lessons Learned

Biggest Challenges

“The challenge is that you need to show up, and keep showing up. I feel that a lot of the pro bono work I did in the 90’s was good work, but it was sporadic and I went from project to project, as opposed to establishing a relationship. With New Profit, Monitor has benefitted by working with and learning from a host of organizations, and ultimately, by developing relationships with depth and sustained presence.

“When we were first started with New Profit some of the people who were advising them doubted our intentions for this relationship and wondered why we were doing it given the nature and extent of the investment. A big part of the challenge was sticking with it. After a year or two, they saw that we were committed for the long haul and all the questions of trust went out the window.

“It can be very difficult for a classic for-profit consultant to come in and think he or she is going to solve the social enterprise’s problem easily because it’s a small organization and they’re not about making money. This actually makes solving problems more difficult because there isn’t a clear single bottom line. Because we’ve been working so closely with New Profit and they are able to give us that social entrepreneur’s perspective, this challenge has been much easier to overcome.”

Biggest Success

Working with New Profit has also been Monitor’s biggest pro bono success. By developing that social entrepreneurial perspective, Monitor has been able to grow its pro bono work while increasing impact and focus.

Vision for the Future

Monitor is looking to broaden the number of people able to work on pro bono cases throughout their 29 offices worldwide since many people ask to work on these opportunities but the equivalent of a New Profit relationship is hard to find in most parts of the world.

Contact Tammany Hobbs Miracky, Senior Practitioner, to learn more about their program.

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