

LEAD

No More Mr. Nice Guy BY GEORGE GENDRON

A CEO who set up a foundation to support nonprofits demands proof that nonprofits are having an impact.

"When most founders go out to hire a CEO or top manager, they look for someone just like themselves. That poses two problems. First, the laws of averages and genetics say that there is no one just like yourself. Second, if you were to find someone just like yourself, what do you think the odds are that he's going to want to work for a guy like you?"

-- Rajiv Tandon, professor of entrepreneurship at the University of St. Thomas, in Minneapolis, addressing a group of company owners in Dallas last October

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The last few years have been tough on nonprofits, and the next few may be even tougher if Tom Golisano is any guide. The founding CEO of Paychex, a payroll-processing company based in Rochester, N.Y., set up a foundation five years ago to help support nonprofits. "Up to now, we've contributed to about a third of the organizations that submit grant requests," he says, "but we're getting tired of seeing 30 different requests from 30 different groups dealing with the same problem in the same city. The redundancy is amazing."

Golisano says the foundation will focus on core problems from now on. "Teen pregnancy, for example. It's a core problem because it creates lots of associated problems with significant social costs."

Golisano is also demanding more proof that nonprofits are having an impact. "There's no tracking of results whatsoever. This won't cut it with us anymore."

But what really sets him off is the attitude many nonprofits display toward money -- and the businesses that provide it. He says he's not alone in his impatience with nonprofits, and we think he's right. "There's a lot of navetÉ in the nonprofit community about replacing government money with donations from the private sector," he says. "Nonprofit leaders get frustrated when they can't get the funding. I know they're under a lot of pressure, but they have to appreciate the kind of pressures faced by the businesses they're counting on for support."

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