



ROYAL OPERA HOUSE: NON-PROFITS

RC STRATEGY

SECTIONS B & C

ASHISH NANDA

FALL 2025

Non-Profits

- Why do non-profits exist?
 - In some situations (externalities, public goods, institutional voids), market solutions based on private ownership and personal motives fail to meet societal needs
 - In such situations, individuals may group together to achieve the desired goals without assigning preeminence to personal economic returns
- How are non-profits different from for-profits?
 - Non-profit goals are not targeted toward maximizing economic returns
 - Often, non-profits have a multiplicity of goals
 - This has implications for funding sources, how they are governed, stakeholders to whom they are responsible, transparency requirements, and type of people who are attracted to them
- Is strategy relevant to non-profits?
 - Yes! Perhaps, even more than in for-profits.
Given multiple objectives and multiple stakeholders, there is a real risk of diffusion of effort in the absence of a clear strategy.
 - Other elements of strategic thinking are also very relevant: think of the ecosystem, compare yourself with other alternatives, ensure activities are integrated, create value over the long term
 - Two tweaks are needed, however, in thinking about strategy:
 - Think of value in broader terms, beyond economic value accruable to the principal
 - Rather than “create and capture value,” aim to “create value and distribute it among relevant constituencies”