

STANDING *together*

Consulting group aids nonprofits in building sustainable income

Dozens of social service agencies in Michiana and thousands across the United States do good. The Constare Group wants to help them do better.

The consulting firm opened in December 2004, when Ryan Butt and Bill Killilea, who worked together at Life Treatment Centers in South Bend, decided to offer their expertise to a broader market.

"There's a huge need for nonprofits in South Bend for someone with our skill sets, but they don't need someone full time," Butt explained. "Grant writing was how we started the program, but we went to fundraising events, board managements.

"As more and more nonprofits in the region came to us, we kept doing more and more projects to fit their needs."

Constare, which means "to stand with," has clients mostly in South Bend, with some in Michigan, Ohio and even overseas through University of Notre Dame connections. The average client has revenue of \$500,000 or less.

Butt, who got an undergraduate degree and a master's in nonprofits at Notre Dame and a law degree at Valparaiso University, teaches full time at Lourdes College in Toledo, Ohio, while he is CEO and managing partner of the business.

"He can work this program from wherever he is, because so much of it is on the computer," said Killilea, the executive direc-



Tribune Photo | MARCUS MARTER

Ryan Butt, left, and Bill Killilea opened Constare in December 2004 in South Bend.

tor of the Mishawaka Business Association with a long history of work with nonprofits.

"He gets me involved in doing things I have a bent for. We've done a feasibility study for one group and we're looking at doing another one."

Butt is working to expand a novel side of the business — helping nonprofits move to dependable income models rather than depending on walks, banquets and other people's charitable check-writing.

His law background helps him advise not-for-profits on the tax

status of their operations, such as REAL Services' catering from the Meals on Wheels kitchen (excerpt).

"Take Notre Dame as example," he said. "They might have a candy store that they produce candy. If there's no related purpose for that, they're going to be taxed on that. The bookstore they don't get taxed on because they can say the sale of books is part of education."

Butt said more not-for-profits should take the example of Opportunity Enterprises of Valparaiso, which serves people with

disabilities.

The agency created its own high-end fudge factory and gourmet popcorn to market to Chicago-area businesses for corporate gifts. It has a Servicemaster franchise and created a company to provide document-shredding services.

A successful not-for-profit could even make money by providing consultation and training to similar agencies in other cities.

The work on transitioning agencies to sustainable income accounts for less than 10 percent of Constare's income after four years.

"It's a hard thing for nonprof-

its to swallow," Butt said. "Their whole existence has been completely with doing the annual appeal, doing a gala at night or a luncheon."

Some 1.5 million not-for-profits operate in the United States, 56,000 in Indiana, about 2,600 locally, including some that duplicate services and compete for charity dollars, Butt said.

"St. Joe County probably has per capita more not-for-profit organizations than anywhere else in the state," he said. "There's a huge number of these 501(c)(3) organizations out there trying to make their way."

Constare offers a full range of services with help from associates Andrew Lynn, once director of Make A Difference Michiana and now a Ph.D. candidate in sociology at the University of Virginia; Kelly Krstich, of Columbus, Ohio; and Laurie Mott-Flynn, of Olympia, Wash.

"We still do everything," Butt said. "Nonprofits still come to us for everything," including three new grant writing clients in three weeks recently. "We've refined our skill set."

"Andrew is good at outcomes management and social media management. Bill does a lot of the work with feasibility studies. Bill or I can do board management. I can't do graphic design. We have people within our firm that are freelancers that have the skill set to do that.

"They're getting a group that comes in and gets the whole picture, not just a piece."

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