



## WINNER - CADES SCHUTTE - THE CADES FOUNDATION NONPROFIT LEADERSHIP

# Creating jobs: How Goodwill Industries works

BY JENNA BLAKELY  
PACIFIC BUSINESS NEWS

**G**oodwill Industries of Hawaii Inc. managed to serve more people in need of work despite getting less government funding during the Great Recession years.

Since 1959, the nonprofit, under Goodwill Industries International Inc., has been dedicated to helping low-income and handicapped people find work through job-training programs and employment opportunities. More than 90 percent of the revenue it collects through its stores and service contracts goes directly to its mission of placing people into jobs.



Smith

Though many nonprofits have been struggling to meet increased needs with fewer government resources, Goodwill Industries of Hawaii President and CEO Laura Smith said her nonprofit has been fortunate to avoid the depths of that struggle

because of its self-sufficient business model, which allows it to be less reliant on government funding. Smith said that in 2008 three of their largest sources of state funding decreased by 15 percent. However, it earns more than 61 percent of its revenue from its retail stores, donation centers and commercial contract services.

As a result of Goodwill Industries of Hawaii's broad impact in helping people gain employment and its successful nonprofit structure, it has been awarded the 2012 Business Leadership Hawaii Cades Schutte - The Cades Foundation Nonprofit Leadership Award.

"In any social enterprise, the best practice that is followed is not to start with an 'ask,'" said Malcolm Lau, board member and senior vice president at Bank of Hawaii. "Many of the customers who shop at and donate to the various Goodwill stores may not even know they



TINA YUEN PBN

Sorting clothes at Goodwill Industries' South Beretania Street store are, from right, employees Aurora Madolora, Marita Epineisar and Oriena Renis.

are supporting a social enterprise."

Self-funding has allowed Goodwill Industries of Hawaii to keep up with more and more people needing job training and placement. In June 2011, the nonprofit served 15,551 individuals, about 11,000 more than it served nearly a decade ago.

In order to keep serving more people, Smith continues to find opportunities for the nonprofit to earn more of its own money.

"Despite the recent economic downturn, which witnessed many nonprofits having to decrease their services and community outreach, Goodwill Industries of Hawaii was able to increase its services to the community and successfully open new stores to drive additional revenue for its training programs," Lau said.

The nonprofit recently expanded its Hilo retail store and opened a new career

center in Kona on the Big Island. Also, a retail store and career center opened on Maui in October, and two Maui donation centers are scheduled to open before the year ends.

Those expansions not only will generate more shoppers and donations, but also create jobs. Lau noted that Goodwill Industries of Hawaii has hired 40 additional full-time employees statewide this year, filling positions in areas of retail, truck driving, social work and more.

In addition to expanding its retail operations, Smith also has been successful in forming key partnerships with businesses and the federal government to help create jobs. A partnership with the U.S. Ability One Commission, for example, specifically helps individuals with severe disabilities find work. As a result, Goodwill Industries of Hawaii obtained work contracts for a document-shredding operation that serves the In-

### Goodwill Industries of Hawaii Inc.

Nonprofit dedicated to helping individuals find jobs

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ternal Revenue Service, Hawaii National Guard and local businesses.

Other contract work includes cleaning and maintenance for the Waikiki Business District Improvement Association, mailroom operations for the U.S. Coast Guard and IRS, and sewing painters' hoods for the Pearl Harbor Shipyard.

"We're always open to possibilities and opportunities as long as they are a good fit for our organization," Smith said. "We will take a risk to help people."

Lau said Smith's openness has been the driving force behind the nonprofit's success.

"Through the leadership of Laura Smith, Goodwill of Hawaii promotes creativity and out-of-the-box business idea generation," he said.

Most recently, Smith's creativity paid off with two new contracts, one with the Kaneohe Marine Corps Base Hawaii to provide corrosion repair services and another with Dell's corporate recycling program to properly dispose of electronic computer waste.

Future plans include developing education programs in addition to employment programs. Smith said many people have been wanting to do more with education, whether it's attend college or receive vocational training.

"We're working on new programs to help launch people into their desired educational track," she said. "Our work isn't done until everyone who wants to be employed is employed."

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## Q&A How running a nonprofit in Hawaii is different today from five years ago:

Running a nonprofit is more demanding than it was five years ago. Because we are funded by public support, it's important to the public to know that their donations to Goodwill are well-used to meet our mission. We work hard to be accountable to the community and to make the most use of every donation we are given. We always remember that it is the public's support of our programs through their donations of clothing and household goods that allow us to fulfill our mission.

**How the concept of charitable giving has changed:** I think donors are now more connected to the causes they are giving to — they want the personal stories of how a donation helped whomever it was intended for. Donors also want to be sure that a nonprofit is well-run and follows good governance guidelines as well as being transparent about how it uses donors' funds

and donations of goods and materials.

**How we measure success:** At Goodwill we measure our success by people. We feel it is a privilege to be invited to work along someone who wants to better their lives by gaining career and employment skills. Our favorite moments are when someone who has been through our programs returns to tell us of their success. Many times the small steps they have made while with Goodwill help them find a big vision for their career.

**Traits we look for in a good board member:** Our board is nothing short of amazing. They stay focused on policy and results and leave the operational details to the staff. Because we are involved in so many unique projects, our board has to take a certain amount of risk when we try something new. And they always encourage us to push further to meet our community's needs. Our staff and I always feel the board's support and encouragement.

**My advice for nonprofits that are struggling to generate consistent financial support or sustain strong volunteer leadership:** Many times a nonprofit will have a set of core competencies that it has developed in relation to its mission. Keep focused on those and find the volunteers who may have complementary skill sets to the staff and who can help take the organization to the next level.

**The most successful change our nonprofit made in the past decade:** For Goodwill, the most successful change we made was to try new and different types of businesses as a means to help to create employment for people. Operating various small businesses like document destruction and shredding, streetscape maintenance for our Waikiki visitors, and auto body corrosion repairs has helped us as a team to learn how to operate various businesses successfully, which helps us to evaluate new opportunities that come our way.

**How we keep businesses interested in giving to us:** We hope that businesses will think of us when they need employees, or when they have goods to donate. We always follow up to be sure a project or program was successful and try to learn from our mistakes. Many times in business it's about having the right match between a business and a nonprofit, and we actively look for those.

**How we have incorporated social media into our business strategies:** We have lots of opportunities for social media such as our Facebook and Twitter feeds, YouTube videos and e-newsletters. We use social media to create a buzz about the unique items that are donated to our stores and to draw people to our shopping, donation and mission-related events. We have had some excellent success in this area, and it continues to show strong growth for us.

— Laura Smith, President and CEO