

COMPETITION IN NON-PROFITS

WHAT IS
COMPETITION?

What is Competition?

A lot of people in the non-profit world who don't think they have competitors (or are in a competition) do so because of how they define competition. When they think of competition, they think of the cut-throat, selfish, and self-centered competition that some companies engage in to try to increase their profits and hurt their competition.

But that's not all there is to competition. That kind of competition gives true competition a bad name. True competition is broader than that and better.

We all know that it's good for kids to participate in sports competitions and for sports competition to occur at all kinds of levels from grade school, college, to professional and international level. It's not bad or ungodly to try to win an Olympic medal as long as you play by the rules, work hard, put on the best performance, win fairly, and treat your opponents with kindness, good sportsmanship, and civility.

Competition in and of itself is good and necessary. The problem is how some people chose to play the game, not the game itself.

What is Competition?

Competition is anything that wants to stop you from reaching your destination (vision).

It may want to stop you intentionally or unintentionally.

It may want to stop you because it wants to reach there before you do, or

It may want to stop you just because it doesn't want you to get there.

It may be for any reason or no reason at all.

If your vision or destination is to give a particular group of customers the **best service** to meet their needs, and if you put their interests before yours and do so with a good motive, then any other organization which is offering those customers that standard of service and putting the people's interest before theirs will not be your competition at that time but your allies. Everybody else will be your competition. And because "perfect service" is a moving target that can never be achieved in this life, you have to continue to innovate.

Motive is key

As with anything that matter's, the motive of competition is key.

The right motive is to serve the consumers and stakeholders the best. It is to give consumers the best product that will best meet their needs and most improve their lives at a price that they can afford and happily pay. It's about service, serving others.

May the best servant of the people win! The people are the ones who chose the winner, not the competing companies. The people vote with their money, their support, etc.

**The Judge of who is providing the best service is the consumer. A fair play involves not deceiving/misinforming the judge.

The Right Attitude

The attitude of the competing companies shouldn't be to win by any means whether it is cheating, stealing, misinforming, or illegally harming their competition. That's like winning by breaking the rules. Deep down within, you know you never won.

The right attitude is to place the interest of others first –i.e. the interest of your consumers and your team. All you should care about is that they get served the best. You desire to be the one who serves them the best—that's how you win. However, you are happy if somebody else beats you to it and serve the audience first. Your number desire is that the consumers are served.

The Right Attitude

- In a relay race where you have 4 runners, it's still a good idea to shoot to be the fastest of the 4 runners and help your team win. Even though you are competing to win, your win helps your team members, not hurt them because they win goal because of your efforts. Having said that, the best competition is with yourself, trying to be better tomorrow than you were yesterday. When you do that, you will without fail be competing with others even if you are not focused on it.
- It's good for a player to try to be the MVP (most valuable player) on their basketball team. You can't win MVP by playing selfishly. The whole idea of being an MVP is that you serve and help your team to win more than anyone else. To compete to be MVP then is to compete to be the best servant. That's good competition.

The Right Attitude

In the business world, successful companies buy their competition all the time. For example, Company-A serves people well and people start pouring their support behind company-A and away from company-B. Because of that, company-B starts to struggle financially. Often, company-B doesn't just go bankrupt and close their doors, even though it can. Company-A may buy company-B and restructure to start serving customers well.

Companies are a group of people working for a cause. The goal is not to preserve companies but to serve customers. If customers think another company is serving them better and so pour their support behind them and a failing company collapses, good people working for a company that closes can always get work at companies that are thriving since those will be growing and needing new employees with experience in the industry.

Playing by the Rules

It is true that the world is not fair. Some companies (both for-profit & non-profit) put their ego and personal profits ahead of the interests of customers. Instead of ensuring that customers get the best service, they want to win customers so that they can make profit without delivering superior service.

Such people may lie or exaggerate in their commercials or fundraising appeals. I've personally seen a Christian non-profit gather people to take fake photos so that they can send to donor churches to pretend that they are effective on the mission field. Religious and non-religious organizations and for-profit and non-profit organizations alike break rules all the time.

This kind of bad competition has given a bad name to all the good competition going on that has a righteous motive that puts customers first, plays by the rules of integrity in all their work. But the fact that some people are competing poorly doesn't mean we shouldn't compete righteously.

If we say we are not in competition, we lie. To be in the game of life in any way is to be in competition. The more we realize that, the better we will focus on competing and winning righteously.

The Ultimate Prize

“Do you not know that in a race all the runners run, but only one gets the prize? Run in such a way as to get the prize. Everyone who competes in the games goes into strict training. They do it to get a crown that will not last, but we do it to get a crown that will last forever. Therefore I do not run like someone running aimlessly; I do not fight like a boxer beating the air. No, I strike a blow to my body and make it my slave so that after I have preached to others, I myself will not be disqualified for the prize.” Paul of Tarsus

Those who compete righteously to serve their customers the best will many times win the prize of being voted by the customers as the best company and so growing and thriving. However, even that prize is not the ultimate prize. The ultimate prize is eternal.

Work to win the ultimate prize without ignoring winning the prize the customers give.

“Every organization is perfectly designed to get the results it gets.” Arthur Jones

“Every system is perfectly designed to get the results it gets.” Paul B. Batalden, MD

To Keep in Mind...

1. To seek to compete and win doesn't mean that you want other good nonprofits to close down. That kind of thinking comes from a fixed, not an abundant mindset. A fixed mindset says if I win, you lose. It's a zero sum game. My win is your loss. You can win by creating synergistic win-win scenarios and leaving the community better off than before.
2. Competition isn't limited to other similar organizations, even though it may include them. Organizations (similar or not) and anything that gets in the way of you reaching your vision becomes your competition. Your competition is anything that playing against you. Jesus said, "Whoever is not with me is against me, and whoever does not gather with me scatters." Matt 12:30. Your competition is anything that scatters.

To Keep in Mind...

3. All organizations of all sizes face competition. Internal and external.
4. Some leaders choose to use words like obstacles, challenges, difficulties to describe their competition. The problem I find with that approach is that it makes it difficult to benefit from the abundant research that is available on competition. In my view, it's euphemizing an enemy.

COMPETITION IS
GOOD

Competition is Good

When companies compete, the customer benefits.

Competition:

1. Drives innovations & increase efficiency
2. Leads to better customer service
3. Keeps us accountable
4. Leads to Lower Prices & better products
5. Decreases Complacency

COMPETITION IN THE NT

Competition in the NT

1. Jesus and the Jewish leaders competed over the minds of the people
2. Jesus won. The leaders arrest him and crucify him.
3. In Cameroon, a few years after we started orphan care work in a particular area where the need was great, another Christian orphanage started a branch near us. They soon worked hard to try to close us down, including lying about it. We had to spend time and money on lawyers trying to solve the case.
4. The leaders who crucified Jesus thought they were doing the right thing.
5. Those who stoned Paul thought they were doing God a favor.
6. The competition in Cameroon that almost closed our orphan care organization helped us to transform into a better decentralized organization.
7. Paul's teaching ministry also competed with many other God's like Artemis of the Ephesians (Acts 19:28) and he was stoned and chased for it.
8. Jesus deals with competition. Read John 7

“The fruit of the righteous is a tree of life, And he who is wise
wins souls.” Prov 11:30

To be trying to win souls and then say you don't compete is an oxymoron.
It's like being in a boxing competition and say you don't fight. You will be
knocked out cold. The truth is that to win souls, you must compete. To do
good for God, we must compete and overcome evil with good. When
someone tries to bring you down be forcing you to go one mile, instead
go two miles. Competition is essential, the method we compete is
however different and God honoring.

EXAMPLES OF COMPETITION

Examples of Competition

1. Competition over limited resources

1. Grants from government
2. Church partnerships/donations
3. Donations from individuals.
4. Competition for attention on social media
5. Child sponsorship organizations pay \$10-20 dollars per click on Google to get child sponsors.

2. Competition over what is right

3. Competition to give the public the best

4. Competition over agendas

Examples of Competition

5. Churches Compete with each other
6. Compete with stakeholders that benefit from the status quo.
7. E.g. why reforming the American healthcare system is so difficult.
8. E.g. Ending genital mutilation

When I started my non-profit, I was foolish. I didn't know that I was competing even though that's exactly what every organization does, both profit and non-profit. I've learned since then that when we try to raise funds in any particular way, we are competing with other demands that are fighting for people's money. We have to outcompete those demands and show the people that we are the best way for them to spend their money for them to actually donate. And I think God is very happy about the fact that we have to humble ourselves and be transparent and show people not just that we are good but that we are the best way for them to spend their money. If we are not the best way for them to spend some of their money, the only godly and unselfish thing left to do will be to encourage them give their money somewhere that will produce the most bang for their buck.

When there is a government grant that you apply for, we are likely competing with many other good organizations over the limited resources. To win the grant means that the grant-giving organization feels we are one of the winners. If not, it will go to someone else.

Competition is so rampant and such an essential part of life, it's everywhere. You want to get into a competitive graduate program like medical school, you have to apply and compete with other candidates.

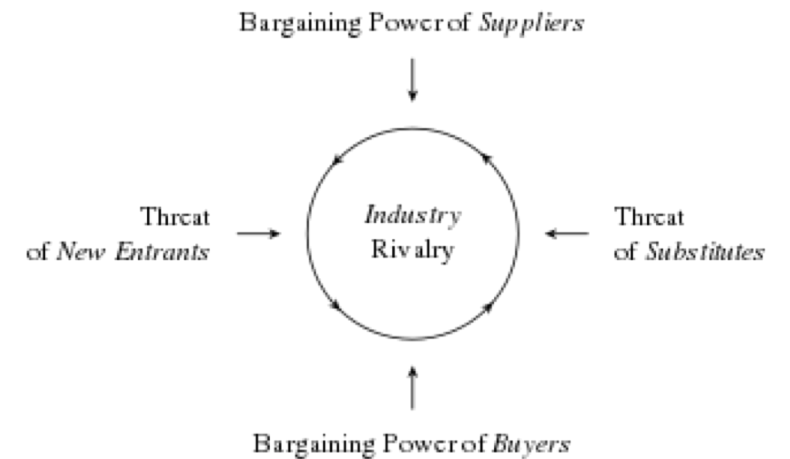
If you are a guy trying to marry a Godly woman, you will be competing with other possible suitors. She will pick you not because she wants to be fair but because you are the best person for her.

Sources of Competition

1. Internal Competition
2. External Competition

Porter's 5 Forces

1. Bargaining power of suppliers
2. Bargaining power of Buyers (Donors & the served)
3. Threat of New Entrants
4. Threat of substitutes
5. Rivalry from other competitors



The Way We Compete...

We don't compete like the world does, but we compete.

1. The War is Real but the weapons we fight with are not carnal.
2. We fight with spiritual weapons
3. We wear the full armor of God
4. We fight with wisdom from above
5. We fight with our minds and with strategy
6. When our enemy is thirsty, we give them a drink
7. We overcome/conquer evil with good
8. We put the interests of others before our own
9. We consider others better than ourselves
10. We serve and put ourselves on the line

The Way we Compete...

“For though we live in the world, we do not wage war as the world does. The weapons we fight with are not the weapons of the world. On the contrary, they have divine power to demolish strongholds. We demolish arguments and every pretension that sets itself up against the knowledge of God, and we take captive every thought to make it obedient to Christ.”

“For we wrestle not against flesh and blood, but against principalities, against powers, against the rulers of the darkness of this world, against spiritual wickedness in high places.” Ephesians 6:12

We compete with...

We don't compete like the world does, but we compete.

1. False teaching so that people can know the truth that brings them freedom
2. Powers and people in high places that keep people enslaved
3. Wolves-in-sheep clothing orphanages that are taking advantage of children.
4. Wolves-in-sheep clothing organizations that are trafficking women and children.
5. We compete with orphanages that providing sub-standard care.

Good Business Competition

1. Even in the business world, great companies compete to serve people better. They compete to improve people's lives better.
2. It is good and righteous to fight to serve people better.
3. **Netflix and Redbox** shut down video rental stores like **Hollywood video and Blockbuster** by innovating and giving people better service. That's a good and godly thing to do. Companies shouldn't be in business for themselves but for the people. When the competition is fair, the winner is the one who serves people the most. When that company wins, the people win.
4. **Tesla & Elon Musk and electric cars.** They let other companies use their patents because they believe fossil fuels are bad for the environment and want to ignite a revolution from fossil fuels to electric cars. They are succeeding very well even when they are giving their patents away.