

# CRAIN'S CHICAGO BUSINESS

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## Managing a 140-year-old nonprofit like it's a startup

YWCA Chicago CEO Dorri McWhorter has modernized the organization without denying its history. Her motto: "Nonprofit is a tax status, not a business model."

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Dorri McWhorter is CEO of the YWCA of Metropolitan Chicago.

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Sharon McFeders had been working at YWCA Metropolitan Chicago for five years under three CEOs when Dorri McWhorter became its new leader. The organization was losing money and sight of its mission, and the spirit overall was "just drab," McFeders recalls. She

viewed McWhorter's entrance with a touch of skepticism. "Dorri comes in and she's happy," McFeders says. The then-executive assistant thought, "What's up her sleeve? Is she going to trick us with the happy and then drop a bomb?"

Since taking over YWCA Metropolitan Chicago in 2013, McWhorter, 45, has run the organization like a nimble startup, not a 140-year-old social services agency. To signal to everyone that disruption was on the horizon, her initial move was to add men to the board, the first in the organization's history. She assembled a C-level team of program officers, all women, and gave them titles straight out of 1871. McFeders, for instance, is chief paradigm officer. There's also a chief empowerment officer, reimagination officer, innovation officer and possibility officer (she handles human resources). McWhorter purged marketing materials of unsmiling clients and replaced them with photos of women with hopeful and happy faces. "The women were looking so depressed," McWhorter says of the "poverty porn" shots. At its nine locations, bright persimmon, the organization's signature color, enlivened dull interiors. An iPad-powered sign-in tool replaced paper sheets. It helps YWCA track and store more information on who's visiting and why, the better to connect them with more services.

To keep morale high, McWhorter didn't lay off staffers during the state's budget impasse. Instead, she gave them raises. [That move and others](#) have lowered annual turnover to 14.6 percent, down from nearly 40 percent when McWhorter arrived. The organization's budget is \$23 million, up from \$10 million five years ago.

Those are only the internal changes. McWhorter and her chief innovation officer, Jill O'Donovan, hatched a plan for an [exchange-traded fund](#), proceeds from which would fund YWCA programs locally and nationally. Impact Shares YWCA Women Empowered ETF began trading on the New York Stock Exchange in August.

In January, YWCA Metropolitan Chicago plans to roll out Respect, a Mastercard prepaid debit card, for its clients and the 2,000 small-business owners who run child care centers for YWCA. The card issuer, Mobility Capital Finance, will report on-time rent payments to credit bureaus, thus helping clients boost their credit scores. YWCA is putting the finishing touches on an app that will help users access the agency's services from their mobile phones.

McWhorter's leadership has energized both staff and donors. "We are sitting at tables we haven't traditionally sat at before, in a leadership position," says Loren Simmons, chief empowerment officer and a 20-year veteran of the organization. YWCA's mission has always been to eliminate racism and empower women, and it has always offered training to prevent sexual harassment in the workplace. These days, it's extended that training to cultural institutions and startups at 1871. It's not pro bono work, it's a revenue stream, and YWCA has

felt confident in charging more for the services. "We undervalued what we had in the marketplace," Simmons says.

## 'WE CAN'T REST ON THAT HISTORY'

McWhorter's talent lies in modernizing the organization without denying its history. "A less visionary leader might see that 140-year-old history as a liability, or manage it as a liability," says Christy Prah, program officer for health and human services at Chicago-based Crown Family Philanthropies, which has supported YWCA Metropolitan Chicago since 1987. "She said, 'We can't rest on that history; we have to make it work for us, not against us.'" Prah recalls a presentation McWhorter gave during the state budget impasse, in a room with nine other grant recipients. McWhorter's solution, to increase revenue via the debit card and using the Y logo on, for instance, handmade scarves, signaled "a revolutionary rebranding of the organization, tapping into opportunities that were right there," Prah recalls.

The scarves are sold at [YShop.org](http://YShop.org), an online store that also sells necklaces, Respect-branded wines and other items, and appears as a pop-up store at YWCA events. YWCA Metropolitan Chicago launched YShop in 2015 to put a brand on its cause marketing; in three years, it's raised \$400,000. A percentage of sales funds programs, and the remainder goes to the merchants who create the wares. It is, executives say, another example of the organization's double bottom line: Helping people, producing revenue. "Dorri always says that nonprofit is a tax status, not a business model," says Martina Hone, chief impact officer.

McWhorter, a Chicago native who grew up in Racine, Wis., naturally brings a business bent to her job. She has a degree in accounting and business from the University of Wisconsin-Madison and an MBA from Northwestern University's Kellogg School of Management. She has spent most of her career at for-profit firms and was a partner at accounting firm Crowe before applying for the top job at the YWCA. She had been a board member for eight years when the board decided to replace the CEO. "We were atrophying, with no real plan for turning around the organization," she says. The board asked McWhorter to help with the search for a new CEO, and she soon found herself obsessing about what the organization needed. She applied for the position, got it and began deploying a non-nonprofit approach. "We treat constituents as consumers, not just people who need us," she says.

Not everything is working quite as planned. Myrtle's Club, which offers training, back-office support and group purchasing for child care providers, has only 65 users, despite the presence of tens of thousands of child care providers in the state. McWhorter says she's adding a business-development person to the staff to better market the program and boost participation.

And while McWhorter's joyous approach to her work has caught on with her staff, it's off-putting to some. "There will always be people who make you uncomfortable when you're an innovator," says Shelley Bromberek-Lambert, chief reimagination officer. One funder, for instance, protested when a staffer wrote in an out-of-office email reply that she'd be on vacation enjoying some Respect-branded wine purchased at YShop. "The funder said that the content regarding wine was 'inappropriate for an email supported by federal funding,'" Bromberek-Lambert recalls. This fiscal year, YWCA Metropolitan Chicago will receive about \$12 million in federal, state and other government funding, including a \$2.5 million federal Early Head Start grant.

Nevertheless, McWhorter persists. She and her staff have hired Holistic, co-founded by former 1871 Chief Operating Officer Tom Alexander, to assess employee engagement. Her team is exploring new career paths for women who use its career services programs; they're thinking logistics and green energy, businesses booming now and in the future. Next year, McWhorter plans to buy a South Side child care center and run it as an ESOP, with classes of shares for employees and investors.

McWhorter is "a leader among leaders" in the YWCA federation, which has 210 affiliates in 46 states, says Alejandra Castillo, CEO of YWCA USA, based in Washington, D.C. "She is showcasing how the YWCA is becoming relevant in the 21st century." Now there's something to be happy about.

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