Building a Great Commission Company

Steve Rundle and Tom Steffen

Based on a five year study, here are the steps to launching a Kingdom-building business

Using business as a vehicle for missions and ministry is not new. The apostle Paul, for example, was a full time
leather worker during much of his missionary career. A study of his letters reveals that working was more than a way to support himself; it was a central part of his missionary strategy. Preaching the gospel for free added credibility to his message and served as a model for his converts to follow (see 1Cor. 9:12-18). Similarly, centuries ago, Christian monks integrated work and ministry by tilling fields, clearing forests and building roads, while also tending to the sick, the orphaned and the imprisoned, protecting the poor, and teaching the children. As villages and towns sprang up around the monasteries, the communities were transformed as they incorporated many of these same social concerns. And even as recently as the nineteenth century, many early Protestants integrated business and other secular occupations into their mission strategies.

That tradition continues today in myriad Christian owned and operated companies around the globe. These "Great Commission Companies," as they have been called, are income-producing businesses created to have a second (but primary) bottom line: to glorify God by promoting the growth of local churches in the least evangelized, least developed areas of the world.

Based on our five year study of for-profit companies with this missional purpose – and conversations with literally hundreds of kingdom professionals working within this context – we discovered not only some fascinating case studies (chronicled in our book), but also some best practices that characterize those who have successfully pursued this dual bottom line. We suggest six steps for those who wish to start a Great

Commission Company of their own:

1. Evaluate the business opportunity
2. Evaluate the missions opportunity
3. Assemble a management team
4. Build an advisory network
5. Develop a business plan
6. Develop a Great Commission plan

1. Evaluate the Business Opportunity

The most promising business ideas are those that address a relatively unmet need. The more urgent the need or the problem, the more valuable the solution will be. For a business to be successful, however, it must have more than just a good idea. It must have some kind of competitive advantage or "barrier to entry" that makes it difficult for others to copy the idea and compete away the profits. Without an obvious way to differentiate your product or service and keep competitors at bay, a business may never get off the ground because the likelihood of recovering its initial startup costs is low. Therefore before pursuing a business opportunity it is important to ask at least the following questions: (1) How large is the market? (2) What makes the business unique? and (3) Is the idea financially viable?

How large is the market?

An aspiring entrepreneur must begin by understanding who the customers are, why they need the product or service, and how much they would be willing to pay. Harvard business professor Amar Bhide has found that the most successful entrepreneurs are those who find solutions to problems they encountered in a previous job! One advantage these people have is that they already understand the customers' problem and the potential value of the solution.

In contrast, only 20 percent of Bhide's sample came up with the idea "serendipitously" through a relative, a magazine article or, in one case, while on a honeymoon in Italy. In these cases, much more research is required to get a realistic sense of the market size and the revenues the business can expect.

Those percentages are probably reversed in the case of missionaries seeking to become business owners.

Many start by first identifying a country or people group, often after visiting the country once or twice, then proceed to sort through – rather serendipitously – possible business ideas. A common "solution" is to start an import-export company, where the typical pattern is to find a product first – say, beautifully handmade scarves – then look for a market for the product. Occasionally a company will succeed, but more often it merely sets people up – customers, suppliers, employees – for disappointment and failure.

There is simply no substitute for identifying a customer first, knowing what his or her needs are, then finding competent manufacturers who can reliably meet the customer's specifications.

What makes the business unique?

One must also consider the potential competition, both known and possible future competitors. If the idea has any merit at all, competition will be inevitable and profits will likely be short-lived. This can be especially true for markets that are large and relatively undifferentiated, such as Internet service, which raises the possibility of companies being overrun by larger and more efficient competitors. We know of at least one GCC that inadvertently got caught in this situation and had to choose between growing and selling the company quickly or getting squashed by a large multinational. Choosing the latter strategy would force them back to the drawing board, so to speak. Choosing the former strategy would potentially result in a huge payoff that could be used to bankroll other ministry efforts.

The management team chose the former. We are not in a position to second-guess that decision. All we know is that as an ongoing presence in an unreached country, the company unfortunately has been overtaken by market forces.

The best markets will be large enough to allow for significant growth but fragmented enough to have defensible niches.

Starbucks Coffee probably would never have succeeded had it taken on the whole coffee industry. Instead it successfully exploited a small (but surprisingly not so small) niche: the gourmet coffee market. Likewise the most promising GCCs are those that find niches in which they enjoy certain competitive advantages based on such things as unique managerial talent, brand recognition, efficiency, quality or a hard-to-replicate technology. Without something that clearly distinguishes the company's product or service from others, the company's long-term prospects are not good. Once established in the market, caution must also be taken to avoid complacency. There are few things, including patents, that cannot be by-passed or imitated if given enough time.

A company's long-term survival requires a continual process of innovation and improving service.

Is the idea financially viable?

Not until the market has been clearly defined and the company's distinctiveness identified can we start talking about the financial viability of a business opportunity. This is not necessarily a function of size. Small businesses that serve small markets – a local coffee shop, for example – can be profitable if the initial investment is low and the product or service is distinctive enough to fend off imitators.

As the risks and investment size increase, there needs to be a corresponding increase in the expected return, or investors will look elsewhere for more attractive risk-return opportunities. This is true even when the investor is a kingdom-minded Christian and the investment being considered is a GCC.

There is simply no substitute for identifying a customer first and knowing what his or her needs are

The experience of the Strategic Capital Group – a company that helps raise venture capital for GCCs – is an enlightening illustration of this point. They have found that many wealthy Christians would rather donate their money (and receive an immediate tax deduction) than *invest* in a high-risk venture in a less-developed country. Even when there is a significant probability of both a spiritual and a financial return on the investment, investors tend to scrutinize a for-profit opportunity much more rigorously than they will a donation.

That being the case, the management team should be prepared to answer the following questions:

- How much money will it take to turn this into a profitable business?
- Where will the money come from?
- What other resources will be required (management skills, technologies and so on)?
- What is the expected timeline for payback?
- How "mobile" are the assets? If things go badly, can they be redeployed or sold?
- How flexible is the business model? Is there room for expansion, changes in direction or alliances with other companies?
- What will be the return on investment?

Many people who aspire to start a GCC search far and wide for kingdom-minded investors who are willing to accept a low return (in the neighborhood of 5 to 10 percent). Given that some of the safest investment opportunities also earn this much, it is often difficult to persuade people to accept that same rate for a high-risk venture. Some investors can be found at these rates, but generally speaking there is a limit to how much capital can be raised that way. The more serious entrepreneurs should have a clearly identifiable plan for growing the company and for producing a 25- to 50-percent annualized return for the investor. This is not to say that the annual interest rate or dividend needs to be that high, but the investment should be structured so that the total expected return is high enough to compensate for the added complexity and risk.

2. Evaluate the Missions Opportunity

As with financial value, GCCs that have the most significant *missional* value are those that address a relatively unmet need. There is nothing necessarily wrong with redundancy; that is, outreach efforts that overlap, taking place where others are already working or where the population has already been heavily evangelized. But good stewardship demands that we *consider the most strategic use for our resources.* The most strategic role of a business will depend on the nature of the business, the countries in which it operates and the status of missions in those countries. The following questions will help the entrepreneur identify the key issues: (1) What location or people group will benefit the most from this type of company? (2) What can this company do that other Christian organizations in the area cannot? and (3) Where will the resources for ministryrelated activities come from?

What location or people group will benefit the most from this type of company?

The holistic nature of a GCC means that it brings both material and spiritual benefits to a community. As we said before, the least-reached countries also tend to be the world's poorest. Many of the unreached are minority peoples who are victims of injustice and oppression. By bringing meaningful and dignified work to these communities, GCCs are engaging in an important ministry. For those employees who are Christian, an added benefit is the tithes that flow into the local church. The value of a GCC is immeasurably greater when, in addition to the physiological and material benefits, it serves as a person's first meaningful point of contact with the gospel. This is most likely to occur if it is operating among large populations of people who have never heard about Jesus or have not seen the gospel's life-transforming message lived out in a practical way.

There is no question that, while GCCs can certainly have an impact in highly evangelized parts of the world, the need is far greater in lessevangelized countries.

The value of a "missions strategy" is greatest when the venture is reaching people who cannot be reached by other means

It also helps to think creatively about which stages of production – manufacturing, research and development, purchasing, marketing, customer service – can be located among those people and how the people can be most effectively engaged and mentored by the kingdom professionals.

What can this company do that other Christian organizations in the area cannot?

While Christian organizations are permitted in most countries, they are closely watched in many cases to ensure that they are not clandestine efforts to do nothing more than evangelize and convert the nationals.

Many organizations comply with those restrictions and focus instead on such things as disaster relief and humanitarian assistance, the provision of medical care, teaching English, job training and other community services.

These are all worthwhile and valid ministries, but there is a limit as to which segments of society can be reached by these methods and where these ministries can be located. By comparison, GCCs often have greater freedom and can reach an entirely different segment of society. For example, one kingdom professional recently shared how his business credentials enable him to build relationships with people he could never reach before as a traditional missionary.

Specifically, local government or business leaders would have nothing to do with him as a missionary, but as the owner of a thriving business he now receives regular invitations to their homes and workplaces.

This observation has been made countless times during our research, and it illustrates another important point about the strategic value of a GCC: the value of a missions strategy is greatest when the venture is reaching people who cannot be reached by other means.

Where will the resources for ministry-related activities come from?

For those contemplating starting a GCC there is a natural desire to use company resources to fund ministries of every kind. Restraint is called for, however, for several reasons. First, as Tom Sudyk of Evangelistic Commerce often says, "A company that does not *focus* on making money will almost certainly never make any." The truth is, growing a company into one that can be consistently profitable is a monumental task, and siphoning money away from the company too early will make it even more challenging. A company is not likely to have a meaningful, long-term ministry impact if it fails. Therefore the first priority must be given to the company's survival. Some modest levels of corporate philanthropy may be acceptable, but in the early stages the tithes of the management team will probably be more significant.

Depending on the structure of the GCC, a careful distinction may also have to be made between the nonprofit and forprofit activities. While a forprofit corporation is free to do whatever it wishes with its profits (as long as the owners agree), a nonprofit corporation can only use its money for charitable purposes. GCCs that work in close partnership with nonprofit corporations must be careful to avoid the appearance that monies from the nonprofit are being used to benefit the for-profit company (and its owners). For example, in the past, some GCCs have been managed by people who are supported partially or entirely by donations made to mission agencies. While there are legal ways to structure such arrangements, not all relationships between GCCs and mission agencies are structured with the same care.

The main thing to remember is that donations made to nonprofit corporations *can only be used for charitable purposes.* If a member of the management team receives some donor support for the charity work he or she does outside the company, so be it. But any work done for the company must be paid for by the company. Ignoring this can jeopardize the nonprofit's taxexempt status, or worse, be prosecuted as a criminal act.

The most effective GCCs are those that are led by a qualified and balanced team of kingdom professionals

3. Assemble a Management Team

The most effective GCCs are those that are led by a qualified and balanced team of kingdom professionals. Each team member will naturally bring different skills and experiences, but they should all integrate their faith into every part of their daily life. Under no circumstances should someone who views business as a "cover" for ministry be accepted. Instead, team members should all see the business itself as a valid ministry.

Qualified candidates will be well grounded in the spiritual disciplines and have a history of drawing people's attention to Christ. There will be evidence of spiritual maturity and an active interest in helping others grow in their faith. Young Christians are not necessarily unfit for this work, but care should be taken to make sure they are properly supervised and discipled. It is important to remember that the principle purpose of GCCs, whether facilitative or pioneering, is to bring light into the darkest places – Satan's strongholds. Fierce spiritual opposition is guaranteed. Furthermore, there are unique temptations and trials involved in doing business in less-developed and religiously hostile countries that test the faith of even the strongest Christians. As a general rule, it is best for young believers or those who still need more business or ministry experience to begin working on those skills in a less challenging context first.

Our research suggests that the old adage "experience is the best teacher" is absolutely true.

It is also the best indicator of how effective a person will be on a GCC team.

For those who will be working cross culturally, additional skills are required, including language skills and an ability to adjust to a new culture (with its different styles of learning, decision-making, leadership, conflict resolution and so forth). Those who adapt most successfully tend to have a natural interest in establishing relationships with people from other cultures and exhibit an ability to share the gospel cross-culturally as well. They are humble and can laugh at their own cultural mistakes.

They are willing to adjust their lifestyle so that it does not inhibit their witness, and they treat the difficulties of living in a foreign country as challenges for growth rather than sources of irritation.

The necessary business experience will depend on the circumstances and the job being filled. Because the companies tend to be young and entrepreneurial in nature, the management team should consist of people who have experience working in similar situations. In other words, a person who has spent twenty years working in middle-level management for a large, hierarchical corporation may not be as suitable as someone who has worked for smaller (perhaps even defunct) companies. This does not mean, however, that team members must all be aggressive, type-A personalities. Successful team members come in every shape, size and personality type.

What they do share, however, are passion, persistence, a capacity to learn from mistakes and a willingness to make decisions and take *calculated* risks. By that we mean they do not act recklessly, but neither do they allow themselves to become paralyzed by too much analysis and planning. They plan, pray and get advice. Then they act, and they do not obsess over what might have been.

Fierce spiritual opposition is guaranteed An advisory network identifies obstacles and the strategies for overcoming them

The ideal team will include both expatriate and national believers who share similar values and vision. It is often necessary, even desirable, to have nonbelievers on the management team who can add strength in certain areas and, at least indirectly, enhance the prospects for effective ministry. When this is the case, care should be taken that no one is added who is hostile to the holistic ministry purpose of the company. Furthermore, if the company is going to reflect Christ in its community, it is essential that a substantial share of those in key decisionmaking positions are kingdom professionals.

4. Build an Advisory Network

The most durable and effective GCCs have active participation and support from a wide range of advisers, from lawyers, accountants and technology experts to local government officials, mission agencies and leaders of the indigenous church. While not directly involved in the management of the company, these people can significantly improve the likelihood of success by helping identify obstacles and the strategies for overcoming them. They also bring access to a broad network of contacts and resources that the management teams may lack, including potential members of the team itself. The added credibility they give the venture, along with the network of relationships they represent, can help build broad-based support for the business/ministry model, which is useful when trying to raise capital.

One study of successful business startups found that not only does an advisory network tend to accelerate the startup process, but those entrepreneurs with previous startup experience began developing these networks much earlier in the process than first-timers. The most successful advice-seekers followed these procedures:

• Identify people and organizations that will have an interest in the outcome of this project • Seek criticism, advice and suggestions from those people

• Ask them for the names (at least two) of others who may be contacted, and get permission to use their names when doing so • Ask them what preparation is necessary before speaking to those contacts

• Do the necessary preparation

• Return later to the original contacts and tell them how their advice helped, thus cementing useful relationships

• Repeat these steps for the new sets of contacts.

A common mistake is to rely too heavily on the provision of free or sharply discounted services. Many people are indeed happy to provide discounts, but care should be taken, especially with professional services such as legal or accounting help, not to rely exclusively on those who offer the cheapest rates. The danger is that a "volunteer mentality" may take hold whereby they view the GCC more as a hobby than a client.

This can mean settling for help from people working outside their area of specialty, or waiting while they take care of their higher-paying clients first. Like any business, a GCC should be prepared to pay market rates for these services or work out some agreeable alternative.

Another cautionary reminder, especially for those with extensive experience in the nonprofit world, is that some questions and some risks will inevitably remain. That is the nature of entrepreneurship.

Quite frankly, the only way some answers will ever be known is to try it and find out.

Therefore, while we encourage the active participation and support of many advisers, one must guard against making the decision-making process too unwieldy. A committee mentality will paralyze the planning process.

5. Develop a Business Plan

At some point somebody will ask to see a business plan. Not that business plans are necessarily the best predictors of success, but they at least demonstrate that you have done your homework. The business plan should succinctly describe the opportunity, identify the strengths and weaknesses of the business model and the management team, and give some conservative estimates about how and when the venture will break even. Prospective investors will naturally want to see a business plan, but so will others who are being asked to make substantial commitments, such as advisers and prospective members of the management team. Entrepreneurs often resent the exercise of writing a business plan, but there is frankly no better way to prepare for what Harvard business professor William Sahlman calls "the most daunting journey of a businessperson's career."
Moreover, because the management team cannot be everywhere at once, having a business plan that can be sent to interested parties is an efficient way to make initial introductions and to sort out the seriously interested from the merely curious.

A common mistake is to rely too heavily on the provision of free or sharply discounted services At some point somebody will ask to see a business plan

Most business plans, says Sahlman, "waste too much ink on numbers and devote too little to the information that really matters to intelligent investors." They put too much effort into making financial projections that everyone knows are little more than blind guesses and are overly optimistic about the amount of time, effort and capital that will be required to achieve profitability. Instead Sahlman maintains that the best business plans illuminate the following:

The people. The men and women starting and running the venture, as well as the outside parties providing key services or important resources for it, such as its lawyers, accountants and suppliers.

Ideally there is an energetic managerial team in place with skills and experiences directly relevant to the opportunity they are pursuing. It is best if they have also worked successfully together in the past.

The opportunity. A profile of the business itself: what it will sell and to whom, whether the business can grow and how fast, what its economics are, who and what stand in the way of success. The business model is attractive and sustainable, and can create and defend a competitive edge. Many options exist for expanding the scale and scope of the business, and these options are unique to the enterprise and its team.

The context. The big picture – the regulatory, demographic and macro-economic environments. While these things cannot be controlled, are they at least favorable?

The risk and reward. An assessment of everything that can go wrong and right, and a discussion of how the management team can mitigate the impact of difficult events.

In the end, says Sahlman, great businesses "have attributes that are easy to identify but hard to assemble." By focusing on these key areas, the business plan can give the reader confidence that the obstacles have been carefully considered and that a plan is in place for overcoming them.

6. Develop a Great Commission Plan

Some stakeholders will naturally be more interested in and more skilled at evaluating the missions opportunity than the business plan. Therefore it also makes good sense to write a Great Commission plan. This will highlight many of the same things as the business plan.

The people. The kingdom professionals on the team are all committed to the ministry goals of the company. Non-Christians at the management level are not opposed to those goals. Where the team is weak in terms of ministry experience or skills, outside parties have agreed to fill in the gaps. Ideally each team member will have a history of working successfully in this context.

The novice – turned kingdom-professionals we profiled said that if they had it to do over again, they would get more business training and experience first

The opportunity. The founders know what they are hoping to accomplish and why.

The goals are clear and measurable, albeit not always perfectly. Ideally the company will open up opportunities that did not exist before or reach a segment of society that was difficult to reach before. The ministry can be sustained with local resources, so it does not require the long-term involvement of foreigners.

The context. The big picture – the socioeconomic and religious environment in this country or among this people group. The status of the church.

The risk and reward. How difficult is it for local Christians to express their faith freely? How difficult will it be to openly pursue ministry in this country? Is it possible for the ministry to create problems for the business? The failure to achieve the highly publicized goal of "a church for every people by the year 2000" has created a kind of planning backlash among some in the ministry community. Yet even those who are the most critical of what they see as excessive planning do not pursue ministry haphazardly. It is basic good stewardship to have at least some idea of what we are trying to do and why. The Great Commission plan helps bring clarity to the process.

Preparing to Lead a Great Commission Company

How does one prepare for this kind of ministry? First we should note that every one of the novice-turned-kingdomprofessionals profiled in our book agree that if they had it to do over again, they would get the appropriate business training and experience before embarking on this journey.

Indeed, the experience gained in a secular context is often a central part of the equipping process. It should never be viewed as a "necessary evil," but rather as "today's assignment" by a God who is both using us now and preparing us for the future. That preparation may include twenty years or four years of faithfully reflecting Christ in the corporation. It may include three graduate degrees or none. You get the point.

The most effective kingdom professionals – whether working in a pioneering or facilitative context – also demonstrate some level of competence in the area of cross-cultural communication, cultural anthropology, foreign language acquisition, church planting and spiritual warfare.

Many get this through formal training, but others take a less formal but still very deliberate approach to acquiring the necessary skills. Either way, aspiring kingdom professionals should seek to improve these skills because reflecting Christ cross-culturally requires significant changes in a person's perspective.

Steve Rundle is associate professor of economics at Biola University in California. He has been a pioneer in researching and advocating the intersection of business and missions. You can reach him at steve.rundle@biola.edu

Tom Steffen is professor of intercultural studies at Biola University. He was a missionary to the Philippines for fifteen years and is the author of several books on missions and crosscultural ministry. You can reach him at tom.steffen@biola.edu

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