The Good Business Model at Goodwill

The Goodwill Industries® social enterprise model is based on a commitment to what we call the triple bottom line: The multi-billion-dollar donated goods retail infrastructure helps fund direct services for 3 million people annually, and it also results in positive social and environmental outcomes for the global community.

Goodwill was founded on the belief that every person should have the opportunity to achieve independence through the power of work.

This culture is replicated at 165 independent, community-based Goodwill agencies across the United States and Canada. Each of these agencies collects donated goods and sells them in its stores, and the revenues go to fund job training and placement programs for people in local communities.

Goodwill’s operating model is unique because it doesn’t start with an “ask.”

It starts with a local service that addresses a need — where to donate used goods and where to find affordable used goods — and then transforms the value of these transactions into verifiable social impact for local communities. Each Goodwill agency designs its own programs based on the specific needs of job seekers and their community’s job market, innovating as they see fit to help individuals and families. By being both market-driven and customer-focused, Goodwill ensures its effectiveness.

The global community benefits because of the positive environmental impact Goodwill makes by diverting goods from landfills.

So, each local Goodwill — and the organization as a whole — makes an impact on three separate levels: it provides a social return on investment for donors; it is a self-sustaining community organization that is helping people find work; and it provides high-quality services to individuals in the community.

This is where for-profit organizations have a role to play.
Corporations with strong company cultures and identities are well suited to incorporate the principles of social entrepreneurship into their business operations, or to partner with social enterprises.

By leveraging an existing infrastructure and identity, a corporation can increase impact and ensure effectiveness. Goodwill’s recent partnerships with companies like Levi’s and The Gap have proven this by leveraging existing customer bases and corporate identities to further Goodwill’s Donate Movement. Notably, these companies accomplish this while still satisfying the primary needs of their shareholders — the costs to them are relatively low.

The current market presents an opportunity for business leaders to apply the American spirit of entrepreneurism and problem solving to pressing societal problems.

By using the tools already at their disposal, corporate leaders can ensure that social entrepreneurship is not a passing trend, but a movement that will make a difference on a large scale.

Goodwill Social Entrepreneurship

Acting as independently run social enterprises, Goodwill agencies on the local level serve their communities by creating a culture of service, innovation and collaboration. Dell Reconnect and contracts with government and private industry represent two of Goodwill’s largest non-retail revenue generators.

Dell Reconnect: A partnership between Dell and Goodwill, Reconnect is a free drop-off program that allows consumers to responsibly recycle unwanted computer equipment. The partnership diverts electronics from area landfills and provides consumer education on the importance of environmentally responsible computer disposal. Usable donated electronic equipment is resold, and devices in need of repair are either refurbished or broken down into parts to be recycled by Dell partners. The Dell Reconnect program has created more than 250 green jobs for people in need of work — from collecting and sorting jobs to more skilled positions, and the revenue from the recycled computer equipment supports Goodwill’s job training and employment services programs. Consumers can visit www.dellreconnect.com to locate the most convenient drop-off location for any of the participating Goodwill donation centers and stores.

Government and Private Contracts: In Miami, Goodwill Industries of South Florida has a number of contracts to provide commercial services, including shelf stocking, janitorial service and food service at a military base; as well as grounds keeping, bus cleaning, packaging and assembly, and sewn products manufacturing. Through its contracts with government and private industry, the Miami Goodwill is providing work to more than 1,500 people, many of whom have severe disabilities, helping them earn paychecks, and bringing in revenue to further support the Goodwill enterprise. Similar contracts are operated across the United States and Canada.